

SATURDAY NIGHT

THE CANADIAN ILLUSTRATED WEEKLY

Vol. 52, No. 12

Three Sections

TORONTO, CANADA, JANUARY 23, 1937

Established A.D. 1887

10 Cents

THE FRONT PAGE

February 13 is the closing date of our Winter Sports Photographic Competition, particulars of which have appeared in this place in several past issues.

The "History of the Week" will be found this week on page 11 in the Second Section.

We expect to publish in an early issue an important article by Mr. Denton Massey, M.P., on some little understood aspects of the social and economic program now being carried out in Sweden, in which country he spent a considerable time last year.

NOTHING that has yet developed about the riots at the Guelph Reformatory affords the slightest reason for any feeling of public sympathy with the rioters, or at any rate with that section of them which provided the initiative for the whole proceedings. Rather there is considerable reason to suppose that the general treatment of the prisoners in that institution, treatment which no doubt is suitable enough for a certain class of persons guilty of minor offences, has been entirely too lenient for some of the more anti-social characters who have been sent there, and who would be much more suitably incarcerated in other penal institutions.

It is very probable that the whole treatment of convicted persons in Canada, when once the court has determined their penalty, is too automatic and unchangeable, leaving too little opportunity for the exercise of discretion and psychiatric policy by the authorities in charge of them. Transfer from a less unpleasant to a more unpleasant type of incarceration and vice versa might well be made possible on the strength of recommendations and reports as to conduct by the authorities in charge of the various institutions, supplemented perhaps by an expert psychiatric examination. The Guelph institution with its comparatively moderate restrictions and its generous provision of amenities for prisoners is not in the least suitable for convicts of the defiant mentality exhibited by some of these rioters. Some of them appear to have the idea that they have a large measure of popular support behind them, but we believe that idea to be entirely mistaken. The circumstances that they directed their destructiveness largely against the very things which had been provided by a sympathetic Province to make their incarceration more comfortable has alienated whatever public sympathy they might otherwise have secured.

IMMIGRATION AGAIN?

MR. BENNETT returned to Canada this week, full out for a renewed movement of British migration to Canada. This may seem odd to those who recall that under his own régime in this country a large number of British immigrants were shipped back to their homes because they happened, like many Canadians, to be out of a job for the time being; but it may be that Mr. Bennett has more faith in Mr. King's ability to find employment for Britishers in Canada than he had in his own. Or it may be merely another example of the often-observed phenomenon that Mr. Bennett's economic ideas and attitudes are much better when he has recently been outside of Canada than when he has spent a long time continuously in the Dominion. Anyhow we are not at all disposed to cavil at the change, especially if the Conservative leader will show himself cooperative with the Government in dealing with the resistance that the proposal will meet with among organized labor, the Quebec electors, and other elements opposed to immigration.

The doctrine, much relied upon by these elements, that immigration into Canada merely drives out the native-born is very effectively dealt with by Mr. P. C. Armstrong in the December issue of that valuable quarterly, *Social Welfare*. He maintains that the emigration of Canadians to the United States had nothing to do with the pressure of new immigrant population, but was the inevitable result of the "rural exodus" — the trend from the country and the small towns into great cities, of which Canada has not a sufficient number to meet the needs of her ambitious country boys. "Immigration did not drive Canadians from the land, but Canadians left the land and made room for immigrants," Mr. Armstrong sees that immigration means a continuance of high specialization in agriculture, which means in turn, and we trust Mr. Bennett realizes this, a further increase in our exports, which must eventually be paid for by imports. So long as we can negotiate reasonably stable reciprocal markets for this increased agricultural production there should be no serious objection on this ground.

A TRIPARTITE TRADE PACT

THE news from Washington concerning a forthcoming visit by Mr. Runciman, President of the Board of Trade in the British Cabinet, is of a profoundly significant and encouraging character. It is announced at the American capital that an effort will be made to lay down a general trade policy, amounting to a tri-partite understanding, to govern future relations between Canada, Great Britain and the United States. That this is the proper way of tackling the problems involved in these relationships has been clear to economists for a good many years, but they have not dared to hope that the fact would so early be realized by politicians, particularly American politicians. Under normal trading conditions Canada has a very heavy export balance to Great Britain, accompanied by a very heavy import



SOCIAL CREDIT AT DINNER. Premier Aberhart of Alberta looks busy at a Vancouver Board of Trade function. Gen. Victor W. Odlum is his table-mate.

—Photo by C. P. Duffell of Vancouver Daily Province.

balance from the United States. So long as the credits thus acquired by Canada from Great Britain could be freely marketed in the United States and redeemed by the import into that country of British goods, this situation was entirely satisfactory. It was only when American tariff policies began to make it impossible for the British to pay their debts (even on current commercial account) in goods, that this triangular relationship began to break down and Great Britain was compelled to abandon first her gold standard and second her free trade policy.

In this situation the bilateral trade agreements effected by Canada with both the other parties cannot achieve more than a fraction of the total task. Apparently, however, they have performed the inestimable service of awakening informed American opinion to the necessity of completing the third side of the triangle. A reasonable reciprocal arrangement between these three nations will bring together the three countries now ranking first, second and fifth respectively in the export trade of the world, countries moreover which have everything to gain and nothing to lose by increasing their mutual interdependence. It is fortunate that the powers of government in all three countries are at the moment in the hands of men who have a keen appreciation of the fact that ability to export is closely related with willingness to import.

THE WOODSWORTH DOCTRINE

MR. WOODSWORTH has a curious and unique ability to take a constitutional principle, walk with it as far as he feels inclined, and then tell it to go home to bed and not bother him any further. He did this all last week-end with the preamble of the Statute of Westminster. The preamble of the Statute of Westminster is couched in terms which are undoubtedly rather awkward for the statesmen in various British countries who were obliged last

December to deal with an unexpected and unprepared situation in a very unbusinesslike way. But it is fortunately only a preamble; and a preamble is not operative law. This preamble asserts that "it would be in accord with the established constitutional position of all the members of the Commonwealth in relation to one another that any alteration in the law touching the succession to the Throne or the Royal style and titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom."

If this were operative law it would go vastly further than Mr. Woodsworth desires it to go. It would certainly mean that the Statute simultaneously passed by the Parliaments of Great Britain and of all the Dominions other than Canada, declaring Edward VIII to be no longer King and George VI to be our lawful sovereign, was without effect anywhere up to the middle of this week, at which time we write, for the Parliament of Canada had not up to that time taken any action to give "assent" to this alteration in the law touching the succession.

MAKING EVERYBODY WAIT

SINCE Mr. Woodsworth duly took the oath of allegiance to King George VI before any such assent had been enacted, we may assume that he does not really believe that the Westminster preamble is operative law. However it was still open to him to make use of it as a constitutional convention, and to maintain that the Dominion Government was morally though not legally bound to summon Parliament in time for it to have something to say about this alteration in the law touching the succession. But the consequences of this view are also such as to require very serious consideration. It so happened that the Canadian Parliament, alone among the legislative bodies of the nations of the Common-

(Continued on Page Three)

THE PASSING SHOW

BY HAL FRANK

PLANS for the Coronation of King George VI are going full speed ahead. Reports from London tell us that it will be staged with all the traditional pomp and ceremony of pre-Wally days.

Mr. King and Mr. Bennett have finally agreed on something. They have agreed to make this session of Parliament as dull as possible.

The increase of thievery has led bee-owners in the United States to consider the tattooing of bees as a means of identifying their stolen property. The marks will be purely utilitarian, no drone being permitted to have his sweetheart's picture tattooed on his chest.

The plot of "The Garden of Allah," in brief: Boyer meets girl, Boyer loses girl.

What we would really like to see is a sit-down strike of strap-hangers.

Strikes in the United States are at least a sign of returning prosperity, it being a Labor rule to strike while the hiring's hot.

Germany means war eventually, we are told. Meanwhile, let us enjoy the calm before the storm-troops.

A reader says that he regularly signs his telephone number instead of his permit number to his liquor slips, just for fun. He says they don't seem to notice.

We are not so much interested in whether there'll be war by April as in whether there'll be winter by April.

Mussolini is always thinking up new dodges to distract the attention of his people from their onerous economic condition. There was the Ethiopian war, you remember, and now he has just looped the loop in his own airplane.

Apparently the only qualification required for enlistment in either Spanish army is that you must not be Spanish.

Esther says she's been out several times to ski but there was only enough snow to ski on one foot.

RELATIONS DO ACT UP

BY HUGH SHOOBRIDGE

WHEN the late Lord Balfour drafted the preamble to the Statute of Westminster it was generally conceded that the ultimate in combining freedom and flexibility with unity had been reached and that the British Commonwealth was now blessed with a Constitution adjustable to all the varying pressures, temperatures and tempers of a feverish world.

A Constitution which yet seemed to develop difficult hearing and imperfect utterance. It became notable that the Canadian Prime Minister found it impossible to say "Empire" and that even the word "Commonwealth" sometimes seemed to issue from his lips in a diffident and apologetic manner. When crucial issues arose and British Ministers affirmed that all Dominions were being consulted it often seemed that the Atlantic rollers had drowned out the voice of London or else that Canada was developing a defensive defect of hearing. So frequently did Ottawa official statements blandly convey the impression that no opinions had been sought or offered from the Senior Dominion — and that the Senior Dominion had no opinions anyway.

THEN in 1936 came the painful visual trouble of the Irish Free State. Looking out over the Irish sea Mr. De Valera found both the King and Commonwealth perfectly visible — a little symbolical and shimmering perhaps but nevertheless undoubtedly there and to be seen with the naked eye. Turning to the home landscape, however, not only did the King and Commonwealth fade from the retina but also from the memory.

From this refinement it was only a step to the Convention of the Native Sons of Canada which reached the guiding principle that the state of vision depended on the subject under consideration. For instance a Native Son thinking of trade preferences or stranded in Madrid found that his mental attitude made it possible to get bright visions of Empire shining in almost the old brassy red. Thoughts from a Winnipeg armchair, however, of a

MOTHER NATURE

BY FREDERICK GEORGE SCOTT

O MAN, trail offspring of my loins, be still! Thy fretted spirit seeks my calm repose. Beneath the forest's hush and mountain snows The winds that wander of their own free will. The changing seasons, but my thoughts fulfill. As I lie-dreaming of the labor throes Which weaken my frame, until that world arose Wherein grew giants with their lust to kill.

My child, crowned godlike by the encircling mind — That energy which wrought me from the dust — Of broken worlds in endless ages past — Learn of thy mother, for her voice is kind. Calmness and strength and the unswerving trust That consummation will be reached at last. Among the Laurentian Mountains, December 1936.

more exposed Commonwealth colleague in an argument with an outsider, were likely to be fogged by this picture and direct his gaze fixedly south by east to where the Great Washington Teeth flashed in recurring neighborly smiles.

IT CAN be understood, also, that the coolness between Britannia and Hibernia provided a precedent for other members of the Commonwealth to look through each other while both remaining in good standing and keeping up their dues. Indian migration to South Africa and the natural rivalries between Scotland and Palestine were both causes of lifted eyebrows and frozen faces.

Challenged by these developments the ingenious mind of Mahatma Gandhi evolved a form of Commonwealth membership for India so tenuous and complicated that Einstein wrote an explanation of it. The present historian is neither willing or competent to expound it.

King George the Sixth required every morning a summary of the situation with the various constituent parts of his domains classified under the following headings:

Visibility Good
Visibility Hazy
Coming In
Going Out
Not Speaking
Speaking but very Polite.

Thus armed he could chart his course for the day.

THE climax was reached when the Left Wing won an electoral victory in Britain and Mr. Woodphail formed a Government with Miss Maesworth as his right and left hands. "As a tentative step in our development of policy and the breaking of traditional Bonds," said Mr. Woodphail, "Great Britain will leave the Empire every second Thursday for a half holiday. For the time being," he added darkly, "we expect to return on Friday mornings."

Miss Maesworth elaborated a little, "Being equal in status and in no respect subordinate," she explained, "Britain feels free to emulate other Dominions in displaying temperament and clamping at the bit. Besides we are not altogether happy to be shielding the narrow nationalism and continental policies of certain of our free associates, and if we find the air fresher and cooler outside on Thursday afternoons we may gradually extend the periods of freedom to cover the long English week-end."

NOW THAT DEPRESSION IS OVER HOW DO WE FEEL?

BY "RE-EMPLOYED"

This article appears to us to represent with considerable accuracy the psychological experiences of a group of persons who are emerging from the depression with an equipment of economic attitudes which is certainly very different from, and possibly more practical than, that which they had before 1930. The author is a Toronto woman, of culture and ability, as her writing shows, and probably typical of quite a large group of depression victims.

LOOKING back from our present pinnacle of comparative security it seems as if we had entered the Depression with that sickening thud of fear that came as a result of our first loss. It was, or so we thought, dispelled by the belief that we could soon retrieve ourselves but, in spite of that, it left a peculiar hangover. It was a little different from previous fears engendered by slight reverses—almost a premonition—and as such it left a quivering tendency in the nerves of the abdominal region. We did not retrieve that first loss and our next reverse was upon us before that initial quivering had fully subsided. Then reverse followed reverse with such rapidity that the "quivering" became a thing to live with—a choky thing that curtailed one's appetite, rendered one's digestion powerless, laid a strangle hold on the muscles of one's throat and shrouded one from light and laughter.

The job departed, the bank account followed, one security after another melted away, treasured possessions were sold for a song. Another job was more elusive than the philosopher's stone. We ate old gold trinkets, sheltered under two rare old books, took tuck after tuck in our standard of living and finally borrowed small sums and then larger ones with the constantly growing fear that we might never be able to repay them.

QUITE naturally "occasional" acquaintances dropped off, friendships were limited to our own locale; theatres, movies, etc., were closed doors to us, our social life was gone. There was nothing to divert our mind—nothing sufficiently stimulating to keep it from hashing and rehashing the whole situation. On and on it went relentlessly, seeking some solution—even under cover of laughter and conversation. With every idea advanced that was considered by "business" our nervous systems tensed to a peak of such quivering hope that when the idea was finally squashed we sank into an abyss of gloom out of which we seemed powerless to pull ourselves. Sleep fled before this intense, futile, mental activity, and when it came, came accompanied by nightmarish dreams. We woke again to that same feeling of unbearable oppression with bodies absolutely unrefreshed. Eventually, even though the strain in no wise relaxed, a sort of protective numbness crept over us.

Then, when it was least expected, a job developed—not much of a job, but still a job. In a sense during these dreadful years we had gained a new value again of money, and in a very real sense we had lost all true valuation of it. With our change in fortune the pendulum of a worn nervous system swung violently to an opposite extreme. The money coming in was a relief in comparison to our previous state, and without a just appraisal of the way to be made up mentally, physically and socially as well as in our wardrobes and household effects, we saw in it the hope of immediate recovery. In this pendulum-swing to hopefulness, we contracted to pay far too large a proportion of our earnings on just debts.

BECAUSE we had entered upon our original commercial struggle for existence fairly well equipped from our average well-to-do home, we were already without idea of what it took to replace the "little things" alone that are an essential part of the comfort and decency of life. Under the grinding, penny-pinching system in which we now became involved we lost, or so it seemed, whatever "come-back" advantage the job held for us. Life was still wholly without brightness or spontaneity—just an uninteresting routine to be lived through day after day. The attainment of tiny comforts, little delicacies, the luxury even of tailor-made civvies, took on prime importance. So real was the screaming of the brakes inside us that we could actually hear it and were sure others must do so too.

We were beating our nerves out against the system of petty economic tyrannies we must endure if we were to live up to our contracts. We were angry, bitter, more angry and more bitter than in the worst days of our depression. We were emptied of patience. Here we were at the point we had worked for, hoped for, despaired of, the turning point, with our wheels stayed by the load acquired in arriving there. It was not sufficient that we had suffered the bleakness of bare existence in these days but now we must still deny ourselves light and laughter in order to pay for them.

We were in the grip of a new fear—a paralyzing fear—the fear that we were "cracking", that we would not be able to hang on to ourselves or our job—a fear born of this inner tempest and the experiences of others we knew who had obtained work after struggles similar to our own.

IT WAS then that we sat down and took counsel with ourselves. We had always regarded our debts as a serious obligation, and we still did, but we could no longer, we discovered, face the prospect of holding ourselves in leash over the period of years it would take to clear up our debts at our present, or even a much increased, rate of paying. Something inside us was bound to snap—was, indeed, snapping now.

A program of expansion was an absolute necessity, and the only capital we had to draw on was our belief in ourselves. After all, we had not only to retrieve these lost years, we had to forge ahead. Therein, too, lay the only hope our creditors had of ultimate settlement.

We could not, we decided, plod along in the rut of penury for years more. Supposing we did survive them, we could not then suddenly throw off their cloak of hopelessness and emerge into full, successful living. Our minds would be hide-bound, our capacity for enjoyment and development, if not entirely gone, tragically warped. After all we owed life something more than dull acceptance, and life owed us something more than the bleakness of bare existence.

So we shook off criticism and former inhibiting rules on the conduct of debtors, and we decided to



THE OPENING OF PARLIAMENT AT OTTAWA. With full traditional ceremony the Canadian Parliament was opened last week. Above, the vice-regal party photographed with Col. the Honorable Dr. Herbert A. Bruce, Lieutenant-Governor of Ontario, and Mrs. Bruce. From left to right:—Captain G. P. Scholfield, A.D.C. to the Lieutenant-Governor of Ontario; Captain P. J. F. Boyle, A.D.C. to the Governor-General; Mr. A. S. Redfern, Secretary to the Governor-General; Mrs. H. A. Bruce, wife of the Lieutenant-Governor of Ontario; Master Maxwell Hughson; Lieut. S. G. Rivers Smith, R.N.A.D.C.; His Excellency, the Governor-General, the Hon. Wm. Buchan; Her Excellency; Hon. John Buchan; Col. the Honorable Dr. H. A. Bruce, Lieutenant-Governor of Ontario; Master Guy Cote; Miss Beatrice Spencer Smith, Lady-in-waiting to Her Excellency; Colonel H. Willis O'Connor, C.B.E., D.S.O., A.D.C., and Lieut.-Colonel E. D. Mackenzie, C.M.G., D.S.O., comptroller of the Household. —Photo by Karib.

stop all payment on debts until we had in some measure rehabilitated ourselves. We had no sooner made this decision than the job collapsed, giving us an opportunity to carry through the first part of it at any rate.

CURIOUSLY enough the collapse of the job halted us very temporarily and did not dismay us overmuch. While on the surface our mind continued to worry and plan, there was suddenly a deep underlying confidence—the "hunch", perhaps, of which we read so much—a confidence, which, because of our past experiences, we were shy of voicing. We knew somehow that the turn had come and everything was now all right. It proved to be so. We kept the connections we had made in the job and shortly discovered that we were building a business—a business largely developing from the most intense and seemingly hopeless struggles of our depression.

The road was long and uphill but that inner confidence, the birth of which we have no means of explaining, stayed with us even through the thin periods, frequent at first but of shorter and shorter duration, when nothing that we could do would stop our mind from worrying and our over-strained nerves from quivering. It was our weapon against criticism, the secret of a new found poise, the explanation of our new success in dealing with trying situations and business difficulties. It carried us through the program on which we had decided—confidence to which was difficult, almost impossible at times because of the variability and uncertainty of our income.

WE WERE "harder" as others thought—"firmer" as we expressed it ourselves. We had been at grips with life, face to face with the fundamentals of existence, come close to the choice between starvation and dependence on the state, feared for the roof over our head, even suffered the absence of heat in winter under that roof. Small wonder that we had achieved a new measuring stick for the appraisal of

human suffering and an ear alert to the difference between the egotist's dramatic exaggeration of his every trifling worry and the inadvertent remark or request that pointed to the man at stern grips with reality.

Our judgment had matured. We were infinitely less gullible but also infinitely more understanding, with a faith, born of experience, in the ability of the individual to pull himself up by the bootstraps and come back. We were willing to help him, to the extent of our ability, to do it in his own way even though that way was not our way.

PRACTICALLY it amounted to this. We had learned that for us independence is the summum bonum and that independence, in the world as it is organized to-day, rests in the final analysis on financial security. After that we had learned that

society's valuation of us rests on the confidence with which we insist on our own estimate of ourselves.

By degrees our nerves came back to health and it was possible once more to apply the brakes without skidding on the climb. Hope was a comprehensive thing again. Zest for the struggle, eagerness for the conquest, moved in us strongly. As our income became more evenly dependable we were able to take up payment on our debts. Some orderliness in our surroundings and in our finances was a pleasant part of our existence.

Life was more balanced for us than it could possibly have been before the Depression because of our discovery of comparative values and our newly acquired power to laugh, relax, and enjoy the leisure time we snatched from the absorbing task of building a business.

NOTES AND NOTABLES

TORONTO audiences are described as "somewhat primitive" in an article on present day Canada in *The Nineteenth Century and After* by Edward Bird. The reason is that when Mr. Gielgud played "Hamlet" here last year the line "There's something rotten in the state of Denmark" produced "a ripple of laughter". Mr. Bird thinks this may indicate "a readiness to laugh at things that sound funny even if they are written by William Shakespeare"; but he is entirely wrong. That laugh, we heard it and know all about it—proceeded from Torontonians who were perfectly familiar with the line as a piece of facetious commonplace, but were immeasurably astonished to find that it came from "Hamlet". They are first cousins to the English lady who on first seeing the play complained that it was full of quotations; but the chances are that the passages with which she found herself familiar had come to her ear in a profoundly serious tone, whereas the Torontonians knew of the "something rotten" passage as an expression employed for comic effect by the various Walter Winchells of the sporting pages. We do not know whether this makes them less primitive than Mr. Bird supposed, or more so. Mr. Bird is 21 Winchester and New College, Oxford.

THE British House of Commons is an amusing place. On Friday, December 11, it had to perform one of the most painful tasks it has ever faced, that of passing the Abdication Bill concerning King Edward VIII. Not only that, but it had to listen to a long and fiery speech by Mr. Maxton of the I.L.P., who greatly embarrassed all moderate Socialists by proclaiming that Socialism and monarchy were completely incompatible. But in the course of his oratory Mr. Maxton likened the monarchial institution in Great Britain to Humpty Dumpty, and misquoted the famous lines into:

"All the King's horses and all the King's men
Could not put Humpty Dumpty back again."
Whereupon scores of honorable members all over the House were heard providing the correct termination, "together again," for misquotation will not be tolerated by Parliament no matter how serious the matter under debate. We should like to be able to record that Mr. Maxton was abashed by the correction, but we should be greatly exaggerating his abashability.

WHEN Hon. Peter Hecan, Minister of Lands and Forests for Ontario, announced this week that the strike of 2,500 men in the lumber camps of the Fort Frances district had been settled, it was claimed by some to have been Canada's first "sit-down" strike. Whether it was Canada's first strike of the new kind or not is open to dispute, but there is certainly no dispute about the woods in the Fort Frances district at this time of year being about the most uncomfortable place in the Dominion

WHERE ONCE THE BIRDS

BY CLARE SHIPMAN

A DEAD tree, standing, is no good.
Even in wintertime one sees
It different from the other trees—
Budless and stiff, more unused wood.
Then in the eagerness of spring
Let it lie down where no winds blow.
Oblivious moss will root and grow
Where once the birds were wont to sing.

to sit down in for any length of time. The lumbermen incidentally secured an increase in wages of six dollars and will in future receive thirty-seven dollars a month.

Now that emphasis in industrial disputes has shifted from the "walk-out" to the "sit-down," from shoe leather to the seat of the pants, it appears possible that labor has found a technique for occasions of acute dissatisfaction with its employers that may leave a greater final impression upon the social organization of democratic countries than any bargaining method developed since the Middle Ages. But it is doubtful if lumbering is an industry that will ever be affected by the genuine sit-down strike as it has been developed within recent weeks in the United States. The new kind of strike has apparently reached such a stage of efficiency that about the only hope employers have of regaining their traditional strategic position is to surround their factories with moats and drawbridges (operating from the outside rather than from the inside) so they can cut off household supplies from the strikers within.



WINTER SPORTS

—Cartoon by Steube, London, England.

WHITE BEAUTY TIME

BY C. B. PYPER

THE day had been sunless, with an unbroken gray sky over-arching the white lake and the wooded hills. The cabin was warm and comfortable. Supper things had been cleared away and bridge was proposed.

Someone went out to get wood for the stove. He came in with an armful and laid it on the floor.

"Boy, it's a beautiful night," he said.

"Is it snowing?"

"No, the moon's coming up and there isn't a cloud in the sky."

We went out to look. A yellow moon was rising behind the trees, throwing the shadow of the cabin on the trampled clearing in front. In the east a golden star hung just above the ridge. The sky was blue and the lake was white, its near shore fringed

FIRE

BY E. J. PRATT

WISER than thought, more intimate than breath. More ancient than the plated rust of Mars. Beyond the light geometry of stars, Yet closer than our web of life and death— This sergeant of the executing squads Calls night from dawn no less than dawn from night: This groom that teams the wolf and hare for flight Is obstetrician at the birth of gods. Around this crimson source of human fears, Where rites and myths have built their scaffoldings, With smoke of hecatombs upon her wings, And chased by shadows of the coming years, Our planet-moth tries blindly to survive Her spinning vertigo as fugitive.

But stronger than its terror is the deep Allurement, primary to our blood, which holds Safety and warmth in unimpassioned folds, Night and the candle-quietness of sleep, With the day's bugles silent, when the will, That feeds the tumult of our natures, rests Along the broken arteries of its quests— Then let the yellowing world revolve until Old Demogorgon's last expatriate On this exotic hearth leans forth to claim Prometheus virtue from a dying flame, His fingers tapered—less to mitigate The chilling accident of his sojourn Than to invoke his ultimate return.

with the clean shadows of the pines. The air was crisp, almost crackling.

We looked. The cabin was warm and comfortable, but it would be warm and comfortable hours later. The night was young. In a moment bridge was off and in a few moments snowshoes were on.

THE winding path led down between the trees. The woods were still as winter. Every stump had a quaint, perfectly rounded helmet of thick snow; there were blobs of white beauty on the ever-green branches; the quiet curve of the white drift beside the path suggested eternal peace. We were the only living things abroad.

THE FRONT PAGE

(Continued from Page One)

wealth, was not sitting at the time of the crisis. If there was a moral obligation on the Canadian Government to secure the assent of Parliament to the change, there was surely an equal moral obligation on the other Governments of the Commonwealth to wait until the Canadian Parliament could do so. Mr. King, of course, could have made them wait, by merely refusing to "request and consent to" the extension of the new United Kingdom law to the Dominion of Canada. But that, it seems to us, would have been a preposterously non-co-operative attitude to adopt towards Canada's sister nations. The reasons for speedy action were of the most compelling character. The assent of all the other Parliaments was instantly available. There was not, and is not, the slightest reason to suppose that the assent of the Canadian Parliament would not be given with as much unanimity as in any other legislative body of the Commonwealth. For Canada to hold up the proceedings would have been taking advantage of a constitutional right in order to block, for no serious reason, a piece of concurrent legislation for which promptitude was urgently necessary.

2 2 2

COULD HAVE WALKED OUT

MR. WOODSWORTH, within five minutes, protested violently against the Government's action in making a new King, declared that the Government had no power to make him King ("He is not King *de jure* until this Parliament enacts appropriate legislation."), supported a resolution of loyalty to him and sang "God Save the King" in his honor. A weathercock in stormy weather could hardly have done better. We think that Mr. Woodsworth should either have marched out of the House, declaring himself to be all that was left of the real Parliament of Canada, a Parliament still loyal to Edward VIII, or else have said nothing about the matter at all. In the former case he would have been showing an independence of "perfidious Albion" which could not have failed to be very gratifying to our more extreme autonomists and Native Sons, and which might have given some work to the constitutional lawyers. In the latter he would have been doing what everybody else was doing, which would no doubt have been very painful to him, but would have saved him from taking up a sort of half-and-half position for which there is no reasonable defence. Boiled down to essentials, the tenable part of his contention about Canada's procedure in the matter of the abdication seems to be this: that the surrender of the Crown by Edward VIII, an event not provided for in the Act of Succession, made it possible for Canada, had she so desired, to separate herself from the rest of the British Commonwealth of Nations by declining to accord with them in their decisions regarding the common kingship; and that the decision whether or not to accept this opportunity should not have been made by the Government but should have been reserved for Parliament. As regards the first part of this contention we are in entire agreement with Mr. Woodsworth. We think that Canada could have broken up the Empire, with perfect constitutional good form, in December last. She could have refused to do anything at all, in which case King Edward

On the lake shore the white beauty of the night lay spread before us. The moon, still faintly tinged with yellow, was already high, a thing serene and exquisite. Her radiance filled the vault of the sky and the great basin formed by white lake and dark, tree-clad hills. The stars were out and the ground at our feet gave back a million sparkles at every glance. It seemed a pity to spoil the dazzling surface with our clumsy snowshoes.

There was no need to fear. We could not spoil it. We were insignificant things and the beauty was limitless. We plodded forward and a million new sparkles leaped to our eyes at every step. The stark, silent hills opened out and disclosed new vistas of curving shore and island and bay; they closed behind us and framed the white expanse anew. The hills, with their shaggy spears of spruce pointing to the sky, were distant, aloof, untouchable. The tranquil beauty of the lake, hill and sky was beyond our marring.

IT WAS a friendly sky. The stars were near, as near as possible for stars millions of miles away. We recognized them, some of them. There was the Great Dipper, and there, in his correct position, the North Star, just over the corner of the cabin. Orion's studded belt was bright, a diamond-studded belt with a diamond-studded scabbard pointing obliquely away. The Little Dipper was faint but clear, and there was Arcturus, just off the handle of the Great Dipper, sitting still at 25,000 miles a second.

Other stars whom we did not know winked and sparkled at us from the sky as the snow winked and sparkled at us from the ground at our feet. It was a diamond-studded night, with white beauty everywhere.

We circled the silent islands with their empty cabins, and turned for home. The moon was aloft now, supreme in her own domain, queen of the night. She had grown prouder and colder. The stars were colder, too, more distant, less golden. The air was still.

FROM over the hill came the bark of a dog. It sounded millions of miles away, a faint dot of sound as soft as a sigh. It came again and again, the only noise in the night save the crunch of our snowshoes.

Rounding an island, we came on the long, wide stretch for home. On a hill in the distance was our little cabin, with its friendly light glimmering through the trees. We came at last to the foot of the slope, climbed the hill and took off our snowshoes at the cabin door. We looked back on our tracks. The lake was flooded with light and the sprawling marks of our clumsy snowshoes made a graceful weaving, a perfect pattern on the moonlit snow. Even we had been unable to mar the white beauty of the night.

would presumably have continued to be monarch of Canada while his brother became monarch of Great Britain and the rest of the Dominions. Or she could have accepted the abdication and made different arrangements for herself about the succession. Either of these performances would have created great embarrassment in connection with her foreign relations (as Mr. De Valera evidently realized), but they would have been within the constitutional power of the Canadian authorities.

2 2 2

UNITY OF THE CROWN

BUT with regard to the second of these propositions we cannot follow Mr. Woodsworth at all. There is not the slightest desire, in any portion of the Canadian electorate to whose opinions any weight need be attached, that Canada should have a different head to her Government from the personage who is also the head of the Governments of the United Kingdom and the other Commonwealth nations. Not only so, but we do not think there is the slightest desire on the part of any element of Canadian opinion to do other than accept the decision of the British Government in this one matter concerning which that Government must inevitably give the lead to the other Governments of the Commonwealth. Since the unity of the Crown is the essential, if not the only surviving, guarantee of the unity of the Empire, then it follows that any Dominion which contravenes that unity is by its own act withdrawing from the Empire. And if this is the case, it follows that a Dominion which declines to accept a new disposition regarding the Crown made by Great Britain and the other Dominions is not merely standing on its rights as a nation within the Commonwealth; it is standing on its right to withdraw from the Commonwealth.

Mr. Woodsworth spoke at some length about "the selection of the King of Canada" and complained that the process of making that selection was being reduced to a matter of minor importance. We suggest that there is no such process as "the selection of the King of Canada." Mr. Woodsworth asks why, if his selection is of such minor importance, we should have a King at all. It would be much more pertinent to ask why, if the King of Canada is to be a different person from the King of the United Kingdom and the rest of the Dominions, we should have a King at all. That indeed would be a question worth considering, but so long as the one overwhelmingly important thing about the King of Canada is that he is also the King of Great Britain, it is absurd to talk about Canada or any other Dominion "selecting" him. The United Kingdom provided the Royal Family in the first place, houses it and pays for it. The United Kingdom provides about nineteen-twentieths of the force which defends it. The United Kingdom must necessarily have the determining voice on those rare occasions when the automatic operation of the hereditary principle in the Royal Family fails to provide an unquestionable succession. In such circumstances it is surely inadvisable for any Canadian to stand upon the letter of the preamble, and not of any operative clause, of the Statute of Westminster, and to maintain—as Mr. Woodsworth cannot logically avoid maintaining if he follows his



National Trust Company Limited

Balance Sheet, 31st December, 1936

CAPITAL ACCOUNT:		ASSETS	
Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton.....	\$ 963,114.30	Office Premises and Safe Deposit Vaults at Toronto, Montreal, Hamilton, Winnipeg, Saskatoon and Edmonton.....	\$ 963,114.30
Real Estate held for sale under mortgage foreclosure.....	1,971,374.09	Real Estate held for sale under mortgage foreclosure.....	1,971,374.09
Rents due and accrued.....	3,101.20	Rents due and accrued.....	3,101.20
Mortgages and Agreements for Sale:		Mortgages and Agreements for Sale:	
Principal.....	\$2,368,066.91	Principal.....	\$2,368,066.91
Interest due and accrued.....	54,621.72	Interest due and accrued.....	54,621.72
Loans on Bonds and Stocks.....	\$2,122,688.63	Loans on Bonds and Stocks.....	\$2,122,688.63
Securities:		Securities:	
Provinces of Canada.....	\$ 5,000.00	Provinces of Canada.....	\$ 5,000.00
Other Bonds and Debentures.....	67,968.12	Other Bonds and Debentures.....	67,968.12
Interest accrued.....	485.19	Interest accrued.....	485.19
Stocks.....	\$ 73,453.61	Stocks.....	\$ 73,453.61
Advances to Estates, Trusts and Agencies.....	124,712.89	Advances to Estates, Trusts and Agencies.....	124,712.89
Cash on Hand and in Banks.....	261,136.30	Cash on Hand and in Banks.....	261,136.30
			\$6,518,525.25
GUARANTEED TRUST ACCOUNT:		LIABILITIES	
Mortgages:		Capital Stock, subscribed and fully paid.....	\$3,000,000.00
Principal.....	\$10,330,013.11	Reserve Fund.....	3,000,000.00
Interest due and accrued.....	289,934.00		\$6,000,000.00
Loans on Bonds and Stocks.....	\$10,619,947.11	Dividend No. 148, payable January 2, 1937.....	60,000.00
Securities:		Reserve for Dominion Income Tax.....	60,688.99
Dominion of Canada and Provinces of Canada.....	\$1,051,027.07	Profit and Loss.....	397,836.26
Canadian Municipalities.....	2,235,242.39		\$6,518,525.25
Other Bonds and Debentures.....	1,725,542.73	Trust Deposits.....	\$17,660,977.32
Interest accrued.....	86,774.53	Guaranteed Trust Certificates.....	3,672,082.92
Stocks.....	\$8,090,586.72		\$21,333,060.24
Cash on Hand and in Banks.....	166,325.69		
	1,834,700.69		
			\$21,333,060.24
ESTATES, TRUSTS AND AGENCY ACCOUNT:		PROFIT AND LOSS ACCOUNT	
Funds and Investments.....	\$219,514,726.32	For Year Ending 31st December, 1936	
	\$219,514,726.32	Balance 31st December, 1935.....	\$379,371.52
		Net Profits for the year after deducting cost of Management, Directors' and Auditors' Fees, Contingencies, etc.....	351,157.64
			\$730,529.16
CAPITAL ACCOUNT:		APPROPRIATED AS FOLLOWS:	
Capital Stock, subscribed and fully paid.....	\$3,000,000.00	Quarterly Dividends:	
Reserve Fund.....	3,000,000.00	Nos. 145 to 148, inclusive, at the rate of 8% per annum.....	\$240,000.00
	\$6,000,000.00	To provide for Dominion, Provincial and Municipal Taxes other than taxes on Real Estate.....	92,692.90
Dividend No. 148, payable January 2, 1937.....	60,000.00	Balance Carried Forward.....	397,836.26
Reserve for Dominion Income Tax.....	60,688.99		\$730,529.16
Profit and Loss.....	397,836.26		
	\$6,518,525.25		

BOARD OF DIRECTORS:

Chairman of the Board: Sir Joseph Flavelle, Bart.

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A copy of the Proceedings at the Annual Meeting of Shareholders will be mailed, when available, to those requesting it.

argument through—that George VI is not King of the United Kingdom or of any Dominion of the Commonwealth because the Parliament of Canada has not, or had not up to the time of this writing, given its "assent" to the alteration in the law of succession.



GRANITE CLUB SKATING CARNIVAL. The Granite Club Skating Carnival, which will be held at Varsity Arena on Jan. 27-28-29, will have as one of its feature attractions Jack Dunn (centre), film star and skating partner of Sonja Henie. The two cups are (left) the cup for the Fourteen Step Competition, presented by Mr. R. S. McLaughlin, and (right) the cup for the Waltz Competition, presented by Mr. John P. Bickell.

THE BOOKSHELF

CONDUCTED BY HAROLD F. SUTTON

IN GREEK SOIL

"The Roots of the Tree," by Carleton Stanley, President of Dalhousie University, Toronto, Oxford University Press, 167 pages, \$1.50.

BY SIR ANDREW MACPHAIL

DALHOUSIE UNIVERSITY with maritime Scottish obstinacy adheres to the idea of its founders, that the head shall be a scholar. That head is now Carleton Stanley. The lesser matters of finance were left in the hands of men bound by the practice of the Bank of Nova Scotia, that going in debt is, as De Quincey said, one of the twin vices. Their endowments were not large enough to permit an excursion into unknown fields.

Their basis of scholarship, on the authority of Erasmus, was Greek; mathematics, because the creator of the world and John Calvin, his interpreter, appeared to be logical mathematicians; Latin, because it conferred the sign of an educated man, namely, the correct use of the objective case. English was not disdained. By many it had to be learned as a foreign language; the Bible was their model; a sentence was taken apart and put together again as if it were a piece of mechanism, which indeed it is.

Science to them was dubious. In those days the term was applied to a direct thrust of the arm instead of a rotary movement of the fists in the art of self-defence. They were more concerned with the mind of man than with the formation of the earth on which he trod or of the sea on which he sailed. This actual world was their material universe from which they could extract a hard living. They had no provision of the atomists or electricians. The world was a reality and not a noise or a state of strain, as Bertrand Russell and the other scientists declaim. They believed with the Greek poet: "Many are the wondrous things, and nought more wondrous than man," especially the man from Nova Scotia.

The university was not a place where everything was to be taught from plumbing to playing on musical instruments. Politics was left to the politicians; economics merely meant to be economical and not go in debt. Something of these qualities yet adhere to Dalhousie. On the rare occasions when Carleton Stanley appears in public he confines himself to his own subject and eschews such matters as democracy and its opposites, about which one man's guess is as good as another. He is content to leave that to wise young professors; but he does not think that truth is the average between contradictory statements.

Dr. Stanley's latest excursion is to describe Roots of the Tree, which is known as civilization; that is the title of this little book. He finds those roots in Greek soil; he traces the growth; he tells how it was cut to the ground, how it revived and flourished on an alien soil. When Greek civilization flourished most, that is the source we must consult for the modern expression of every art and all science, the most accessible source of beauty, knowledge, wisdom, philosophy, and practical ethics. The time of flowering did not last long. The little isolated communities had developed individual character, a patriotism to the place, a political independence, much like the Canadian Provinces before Confederation.

Internal pressure caused a swarming into rural Attica where Greek civilization continued to rest upon the yeomen. The farmers were cherished; and that, Dr. Stanley says, was the secret of Athenian conservatism in a world of change, of her slow and steady development, of her moral strength and greatness. Then came their great war, "the suicide of Greek civilization"; the farms were destroyed; plague broke out in the cities. The way of life on the land was never renewed. The farmers resorted to trade; that was the prelude to disaster. With profound learning Dr. Stanley cites all the authorities of the period in support of his thesis, and with solemn regret he affirms "that after twenty-three centuries we can see that they were right."

With startling clearness he traces the various stages from lack of land to towns, from barter to a gold currency that led to a crash in "values." He quotes a sermon by Bishop Latimer, 2,250 years later, showing how a similar sudden change in price levels brought ruin to the peasantry of England, loss of land, unemployment, class war, famine, and death. With complete constraint Dr. Stanley allows us to make our own inferences. That is the business of the scholars, to display the lessons of history for those who care to heed.

In this little book there is much else under five formal chapters. 1. An ancient economic cycle. 2. Greek Science. 3. Thucydides. 4. Lucetius. 5. Cretan art, a chapter in European history. The whole history of ancient Greece is here.

GAUGUIN AND WATER

"The Life of Paul Gauguin," by Robert Burnett, London, Cobden-Sanderson, 18s.

BY G. CAMPBELL McINNES

THIS is in many ways a curious unsatisfying book. Though it bears evidence of careful research in an endeavor to dispose of the "Gauguin Legend," it frequently fails to hold one's undivided attention. And in dealing with a life as important and as colorful as that of Paul Gauguin, this constitutes a serious criticism. The painter's life was amazingly varied, but Mr. Burnett's too impersonal objectivity makes it seem almost humdrum. Even after Tahiti has been reached the accent is on Gauguin's endless money troubles as much as on his astonishing development in this, his most important period. Vital though these money matters were, and however much they attest to Mr. Burnett's diligent research, they make tedious reading, and could with advantage have been re-

gated to an appendix. In his laudable attempt to disprove the fantastic tales that made of Gauguin a most extraordinary man, Mr. Burnett has gone to the other extreme and tends to deal with him as if he were an ordinary man—which he certainly was not. Mr. Burnett is almost never carried away by his subject.

In his preface Mr. Burnett remarks: "I have not attempted a critical study of Gauguin's painting." That, surely, was the mistake. Much as one might desire a lay biography, it remains true that the man and his art are inseparable, and only good could come from a closer attention to this side of the problem. Perhaps as a result of this, the tale soon becomes a sober and competent factual chronicle. It is significant that the better parts of the book are those in which Mr. Burnett draws freely on Gauguin's own writings, "Nou-Nou" and "Acut of Aprax," and on his letters to Daniel de Monfried. On the other hand, self-effacement is all too rare a virtue among biographers.

But as the first full biography of the painter to be published in English (there was, of course, Somerset Maugham's brilliant novel, which contained what was in some ways a penetrating psychological study; Mr. Burnett, though he must be familiar with the work, makes no mention of it), this book merits consideration; and a number of points are made which, though not new, had not perhaps been sufficiently emphasized. The fresh insistence on the influence upon Gauguin of his early childhood in Peru, and of the probably inherited characteristics of his radical socialist grandfather, is important. Gauguin's relationships with his wife are chronicled without an attempt to whitewash either of the parties; and much is rightly made of Gauguin's equivalent of Cézanne's "grappin"—his hatred of "imbeciles." Valuable, too, is the restatement of the painter's relations with van Gogh. One is convinced that there is no truth whatever in the supposition that Gauguin hounded van Gogh to his death. They were merely two strong men of vastly different temperaments to whom living together became impossible. And as Gauguin wrote— "Two men did tremendous work there useful to both of them; possibly

to others. Certain things bear fruit."

The Pont-Aven "School" is effectively treated, though one could have wished for a more detailed exposition of Gauguin's theories as elaborated by Sérusier, and more about the aesthetics of Symbolism, which has had a considerable effect on contemporary art. But Mr. Burnett does well to stress Gauguin's extraordinary manual facility which was responsible for a mass of carving, lithography, woodcuts and the like, while liberal extracts from "Le Cœur pour l'âme" give us his philosophy.

Gauguin's first visit to Tahiti (1891-93) was probably his happiest. He had escaped the "imbeciles," he had Tahiti, and the rich colors, the life and the mythology of Polynesia inspired him to some of his best canvases. The cavalier bravado which characterized his last visit to Paris in the winter of 1893-4, and which ended with a smashed ankle in a Brittany brawl and the contraction of syphilis, is well described. This was followed by his last voyage to Tahiti, and finally, when Papeete became too full of "imbeciles," to Hiva Oa in the Marquesas. Here, gradually wasted by his disease, and in constant and more irritable conflict with the authorities, he worked with a fury comparable to that of van Gogh, and found time, amid constant financial worries, to champion the vanishing islanders against the crass stupidity and prudence of the mission, with characteristic courage. It is a poignant and deeply moving story, well told. No less moving is the loyalty of de Monfried who alone among his former friends continually tried to help the painter. Gauguin died on May 8, 1903. Posterity has endorsed these words from "Arant et Aprax," which might well be his epitaph: "For I have worked and employed my life well; intelligently even, with courage, without tears, without destroying. I had, however, very good fangs."

"Hello, is that the police station?"

"Yes, what's the matter?"

"I just wanted to tell you that you need not search for my husband. I found him myself. He had forgotten to take off his overcoat, and I hung him in the closet by mistake."—Berliner Illustrierte.

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Business In Force (Including Deferred Annuities)	\$211,194,004
Assets	54,845,907
New Business (Including Deferred Annuities)	35,169,802
Total Income	11,210,773
Payments to Policyholders	4,967,180
Surplus Funds	4,724,416

NORTH AMERICAN LIFE

A MUTUAL COMPANY

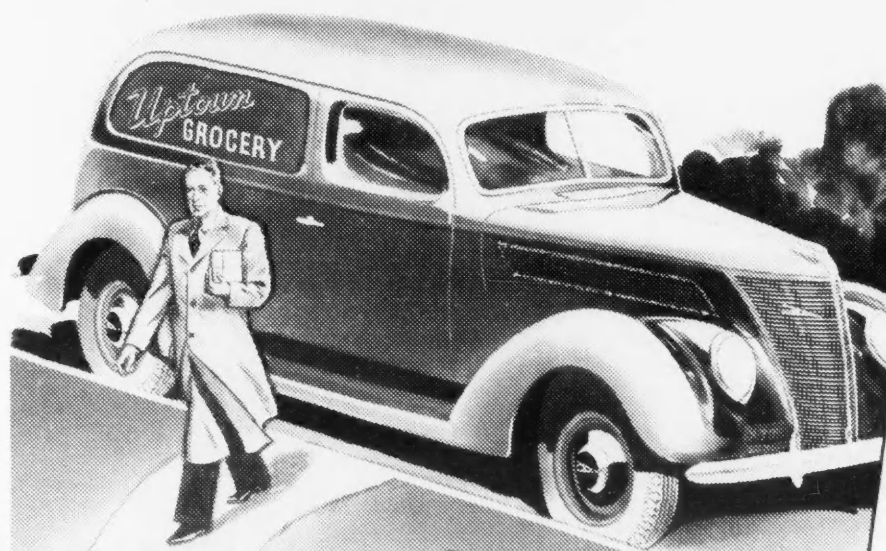
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President

D. E. KILGOUR
General Manager

The complete Annual Report is being sent to each policyholder. Any person desiring a copy may secure it upon request.

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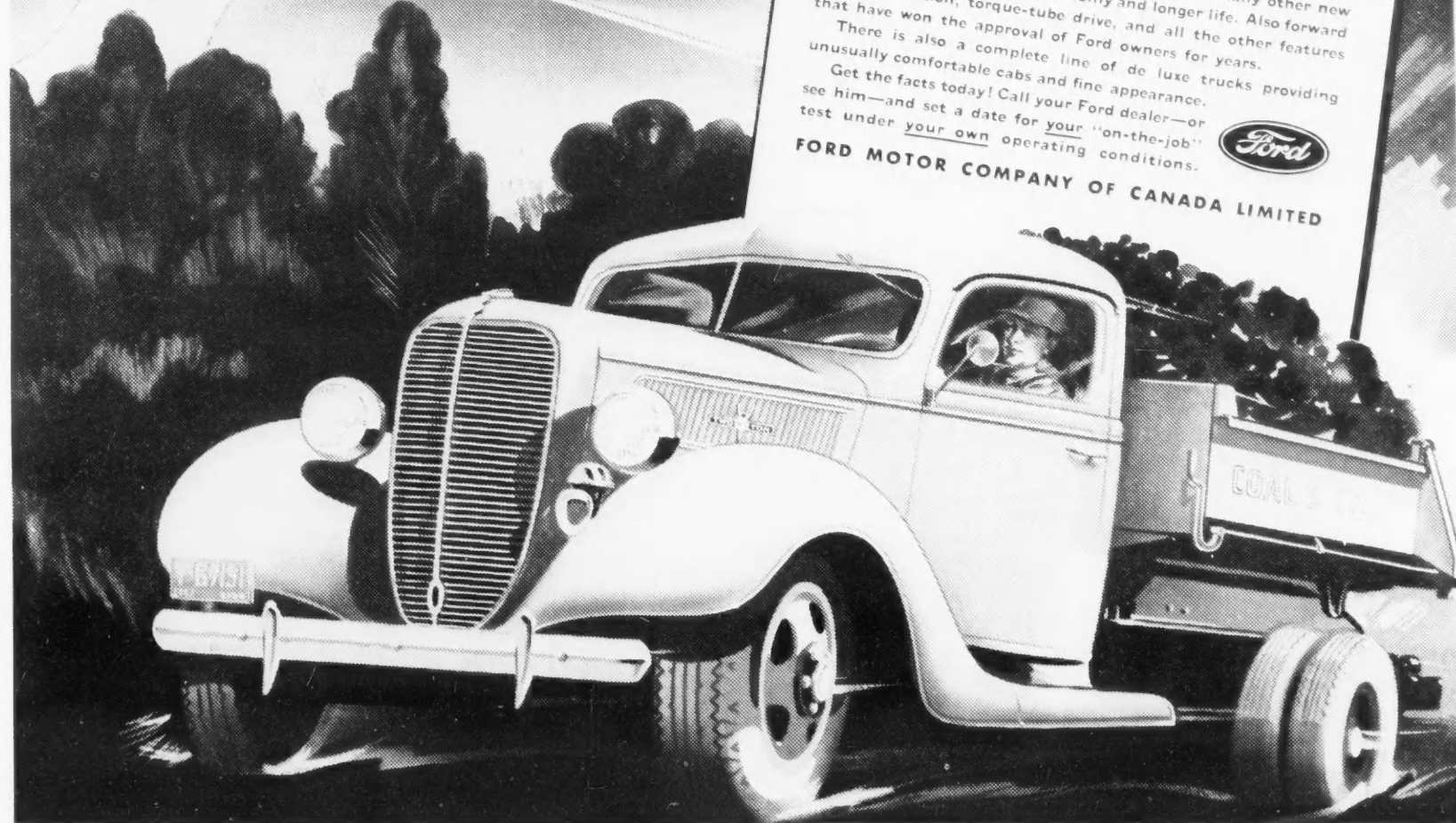
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For 1937, Ford introduces NEW hauling and delivery ECONOMY... choice of power to fit your individual needs. Two-ton trucks are equipped with a heavy-duty 95-horsepower V-8 engine, while 1½-ton trucks are powered by the improved 85-horsepower V-8 engine. Commercial models can be powered to suit load requirements with either the 85-horsepower, or an entirely new 60-horsepower V-8 engine. To apply power economically and to meet individual load requirements, a choice of axle gear ratios, 3 wheel-bases, and a wide variety of body and tire equipment is available. There's a big difference between delivering a load of coal and a pound of coffee. A truck that's powered for one job may be over-powered or under-powered for the other. But with Specialized Transportation, you get top economy for your own individual operation. In addition, you get the most advanced style in truck design... plus Easy-Action Safety Brakes and many other new features that assure greater economy and longer life. Also forward that have won the approval of Ford owners for years. There is also a complete line of de luxe trucks providing unusually comfortable cabs and fine appearance.

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"I would advise you, madam," interrupted the doctor, "to take frequent walks, get plenty of fresh air and dress in wool clothes."
"What did the doctor say?" inquired the husband in a low tone.
"He said I should be in the Atlantic," said she to the invalids.
"What did the doctor say?" inquired the husband in a low tone.
"He said I should be in the Atlantic," said she to the invalids.

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MUSICAL EVENTS

BY HECTOR CHARLESWORTH

IT IS seldom that I have found more delight in a piano recital than in that of the young Russian-Jewish pianist, Rudolf Serkin, who made his first Toronto appearance at the Eaton Auditorium on January 14. The effectiveness of radio in introducing a new artist was demonstrated, for the audience was a capacity one, whereas in days gone by new pianists even of the highest excellence almost invariably drew meagre audiences at the outset. While radio transmission can give but an approximate impression of a pianist's gifts, it was obvious that favorable anticipations had been aroused and for myself I felt that an artist good enough for Toscanini was good enough for me.

If Russia has many more Serkins to send us it is obvious that the Soviet, whatever its shortcomings, has not let down Russia in an artistic sense. He is young and has not developed the picturesque personality which enables men like Paderewski and Rosenthal to give a touch of drama to their appearances. Yet so soon as this shy and gnome youth placed his hands on the key-board the evocation of beauty began. The tenderness of his touch, the grace, fluency and precision of his execution, and above all the mastery of the pedalling which enabled him to produce a singing tone of entrancing loveliness, became apparent. Serkin is not only a flawless pianist, but he is something more; he has a spiritual selectiveness, a poetic quality that brought back to memory a pianist of long ago, Rafael Joseffy. He does not, however, adhere to Joseffy's cult of pure pianism, for his methods are orchestral at need. In his art he seems to combine both schools.

The first group was Mozart, in which his rendering of the Fantasia in C minor was exquisite in phrasing and that of "A Little Jig" indescribably piquant. But perhaps his most memorable offering was the interpretation of Beethoven's "Waldstein" Sonata in C major, opus 53. The nobility of his tone and the lyrical grace with which every detail of musical tracery was bodied forth were enchanting. His singing tone in the slow movement was something to cherish in remembrance.

There were few excursions from the beaten track in Serkin's program, but one was "Three Silhouettes" by Max Reger, delightful brevity played with a delicacy that suggested a Beardsley drawing. His Debussy Etudes had idiomatic pungency also. His last group was devoted to Chopin. His fingers literally sang the familiar "Barefoot" and then came a rendering of the great Polonaise in A major that for color and fire controlled by a classic beauty of utterance few of his listeners had ever heard the equal. There was nothing stilted in his interpretation as not infrequently happens with eminent pianists, but pure magnificence. Following it he gave as an extra a rendering of the Mendelssohn Scherzo, enchanting in color and nuance.

IT IS several years since I have heard the Westminster Chorus, which from its beginnings at Dayton, Ohio, has under the brilliant direction of John Finley Williamson broadened into one of the most impressive of United States musical organizations, and is probably the best known of all in an international sense. It has grown amazingly in quality, expression and compass, and the United States as a whole, not merely Dayton, has become its habitat.

Mr. Williamson was a close friend of the great Canadian choral conductor, Dr. A. S. Veit, and the concert at Massey Hall on January 15 closed with a "Benediction" beautifully sung in memory of him.

Unlike some other choral experts Mr. Williamson is a believer in the small choir and the Westminster Chorus numbers but 36 voices. 15 men and 18 women, but splendid voices, a volume of golden tone and producing a body of such limited numbers. During recent years the Chorus has sung in all parts of Europe and was the first foreign choir to be heard in Russia.

Its triumphs in that country, where magnificent choral singing is a matter of long tradition, are especially significant. Not the least interesting part of the concert were the reminiscences of Russian appreciation contained in the conductor's prefatory comments on various numbers. The Westminster Chorus in fact has an asset characteristic of Russian choirs, a group of basses who can sing an octave below the ordinary choral scale. It is always a delight to listen to real basses, who are not just baritonees trying to sing as deep as possible. Every section of the Choir is superb; the young lady who leads the sopranos has a singularly lovely and haunting voice; and there is also a very fine alto soloist and a noble baritone vocalist who distinguished himself in Geoffrey O'Hara's choral setting of "Ol' Man River," which we were told particularly fascinated the King of Norway.

The vast technical efficiency of the Chorus was demonstrated at the outset in the Bach Motet "Sing Ye to the Lord" which lasts a full fifteen minutes. The polyphonic glories of this work were rendered first to last with a full-throated spontaneity of utterance that held spell-bound those familiar with its difficulties. There was also a unique Choral Symphony by the rising and very original American composer, Roy Harris, in which he aimed at orchestral rather than traditional choral effect. The final section was a triple fugue, the first ever attempted for human voices.

THE recital by the German lieder-singer, Emmy Heim, which took place at the Toronto Conservatory of Music on January 16, more than justified all preliminary assurances with regard to her eminence as a song-interpreter. Nor could the singer have asked an audience better qualified to listen, from the standpoint of musical appreciation, than that which filled the auditorium. Madame Heim is to remain for a while in Toronto as a lecturer on some of the great German song-composers, and her intellectual distinction was at all times apparent. Yet it must not be assumed that her recital was in any sense a chilly "highbrow" performance. On the contrary, her chief appeal was delicately emotional and sentimental, and she has a characteristic rare among singers, a refined but definite humorous faculty, backed by personal magnetism. Embodiment of the classic order of Teutonic beauty, with a commanding presence, she, in her white robe, might have been Elizabeth of Thuringia, who having resolved to forget Tannhauser was devoting herself to the Landgrave's hobby, song.

Emmy Heim does not present herself as a prima donna. Though her voice must have been at one time a noble mezzo-soprano, the appeal of her singing today lies in finesse of expression rather than vocal power and abandon. Thus she may be classed with such celebrated interpreters of the past as Dr. Wellner and Plunkett Greene. She was not at her best in the opening group of Old German Spiritual Songs, for the reason that some of them demanded declamatory powers in which she is deficient, but an exquisite delicacy of emotional expression was present in "Soul be still," and in a quaint legend of a Hunter and the Virgin dating from 1589.

Her Schubert group was unbacked, and again she was at her best not in the exultant "Dem unendlichen" but rather in the tenderly elegiac "Naturgenuss" and "Lachen und Weinen". The contrast between laughing and weeping moods in the latter was ineffably lovely. The reflective beauty of her singing in "Der Wegweiser" was also noteworthy; and the "Gretchen am Spinnrad" was an appealing reverie as she sang it. With her special gifts Madame Heim is necessarily an inspired singer of Schumann's songs. She has precisely the spiritual and sentimental qualities that they demand. Though her program was in German she showed herself a finished English interpreter in a lovely folk-song, "The Lark in the Moor," entirely new to most of her listeners. The accompanist was Sir Ernest MacMillan, who gave fine expressional support and seemed to enjoy his task.

Conservatory Choir supplying the choral end.

The concert opened with Sir Ernest MacMillan's Te Deum Laudamus in E minor, this being the second performance of this work. It is very far removed from the traditional "religious" character, which is distinctly a relief; but is, in spite of this, or perhaps more truthfully because of this, a supremely effective and impressive setting of the words. After the intermission came first the first performance in Toronto of Delius's

(Continued on next page)

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PROFIT AND LOSS ACCOUNT for the year ending December 31st, 1936

Surplus Funds as at December 31st, 1935, consisting of:

General Investment Reserve	- - - - -	\$ 1,200,000.00
Policy Reserve Adjustment Fund	- - - - -	600,000.00
Free Surplus for Contingencies	- - - - -	4,714,915.56
		\$ 6,514,915.56

INCOME

Premiums (net)	- - - - -	\$17,950,183.34
Interest and Rents (after provision for possible losses)	- - - - -	7,116,870.70
Supplementary Contracts	- - - - -	2,994,307.40
Profit and Appreciation on Ledger Assets	- - - - -	49,233.54
		\$28,110,594.98

EXPENDITURES AND RESERVES

Death and Disability Claims, Matured Endowments, Surrendered Policies, Supplementary Contracts, etc.	- - - - -	\$12,646,133.81
Increase in Actuarial Reserve and Amounts Left on Deposit	- - - - -	7,015,445.28
Commissions, Taxes and General Expenses	- - - - -	3,338,346.76
Loss and Depreciation on Ledger Assets	- - - - -	358,957.20
Amount Written Off Head Office Premises	- - - - -	50,000.00
		\$23,408,883.05

Surplus Earnings for Year - - - - - \$ 4,701,711.93

Special Charges:

Specific Reserve against Loss of Principal on Mortgages and Sale Agreements	- - - - -	\$ 92,415.64
Staff Pensions	- - - - -	153,920.00
		246,335.64

Net Amount Transferred to Surplus Funds - - - - - \$ 4,455,376.29

Total - - - - - \$10,970,291.85

Deduct:

Surplus Paid or Allotted to Policyholders - - - - - 3,235,469.47

Surplus Funds as at December 31st, 1936, consisting of:

General Investment Reserve	- - - - -	\$ 2,000,000.00
Policy Reserve Adjustment Fund	- - - - -	900,000.00
Free Surplus for Contingencies	- - - - -	4,834,822.38
		\$ 7,734,822.38

Outstanding Features of 1936 Statement

Insurance in force (excluding Annuities)
Increased by \$10,523,101 to \$537,895,287

Assets (all owned by the policyholders)
Increased by \$8,475,050 to \$161,106,207

Special Reserves and Surplus Funds
Increased by \$1,200,861 to \$13,753,903

Terminations decreased by 11%

Amount paid to Beneficiaries under death claims \$3,500,000

Total paid to living Policyholders \$10,500,000

The 67th Annual Meeting of the Policyholders will be held on Thursday, February 4th, at 11 a.m., at the Head Office, Waterloo, Ontario.

R. O. McCULLOCH, President.

W. H. SOMERVILLE, General Manager.

OTHER EVENTS

TORONTO SYMPHONY

BY CHRISTOPHER WOOD

WITHOUT being thoroughly conversant with Beethoven's Sonata in B flat, Op. 106, in its original form, one would hardly dare to contradict Felix Weingartner's statement that it lacks something in pianistic performance at the hands of even the greatest masters, nor to question the growth of his feeling that it is inherently orchestral in style, and only orchestrated can it truly fulfil its essential character. One does question though, after hearing Mr. Weingartner's orchestral arrangement of this work at the concert of the Toronto Symphony Orchestra last week, whether it could ever be successfully orchestrated, and if it could, whether Mr. Weingartner's is the best possible arrangement. The first movement was satisfactory enough, and the slow movement not too bad. But in the other two there was a constant succession of passages which sounded most distinctly pianistic, one could imagine them on the piano being effective enough, orchestrally they failed to "come off." Nor do I think this was due to poor performance. For though the technical demands on the orchestra were most severe, and one may admit that the performance was not perfect, none the less the orchestra played it very well indeed. But the problem, interesting as it is, and suitable for any amount of discussion among musical friends, is too complicated to be gone into with any thoroughness here. It is better to turn to the rest of the program—three choral works, with the

THE FILM PARADE

BY MARY LOWREY ROSS

THE GARDEN OF ALLAH

TECHNICOLOR continues to march on and in "The Garden of Allah" achieves the finest fusion of background, color and narrative so far attained on the screen. There are none of the snuffing effects that predominated in the early experiments—notably in "Becky Sharp." The color designers have accepted their proper place in the scheme of production and no longer seem to be working frantically to carry off all the honors. The colors in "The Garden of Allah," for the most part clear-toned blues and browns, do not obtrude as a pattern in themselves but flow in a natural harmony with the whole movement of the film. It's still all a little unearthly, and far from heightening reality presents simply another convention that the movie-goer must take into account. With technicolor in fact the movies become more than ever the

opium of the people, presenting a phantasmagoric world in which strangely beautiful and richly hued dream-creatures carry on their unaccountable lives.

Escapists will have a wonderful time at "The Garden of Allah." Everything in it contributes to the sense of mirage—the Sahara, the palm-trees and the camels, the shifting technicolor, the transports of feeling and the astonishing beauty of Marlene Dietrich. If you aren't an escapist you will of course be troubled by all the practical considerations that turn up in a film of this sort. For one thing it's always difficult to believe in the spiritual dedication of a woman with a personality wardrobe. And how did she manage in the Sahara, and who packed and unpacked for her, and hung things up to take out the wrinkles? And how, passing constantly from one emotional crisis to another, did she remember to take along

the correct table appointments, linen and silver and stemware, for an intimate little dinner in the desert?

Most middle-aged people know the story. It's about the Trappist monk who foregoes his vows of poverty, silence and chastity, to go out into the world; and how he meets a beautiful woman who has just abandoned the world to find spiritual satisfaction in the desert. So they marry and go into the Sahara in search of a compromise of flesh and spirit. Their happiness is soon destroyed, however, and the hero returns to his monastery to take up his broken vows. The emphasis, in the movie as in the novel is on romantic passion, and the picture involves a great deal of suffering and renunciation, which the audience bore with trained impassivity. Charles Boyer as the monk did at times convey a sense of spiritual despair and self-torture. But Miss Dietrich's part seemed very little more than a series of beautifully posed stills, conveying as much or as little spiritual passion as you cared to read into them.

I wasn't able to read a great deal into them, though I found her always lovely to look at. Emotional excitement and soul stress call for at least a mild degree of distraction, if not actual disavowal. And Miss Dietrich looked as though she had kept in close touch with Elizabeth Arden at every step of her spiritual pilgrimage. When it is from the heart, suffering, even disciplined suffering, should occasionally let down its hair.

There are all kinds and degrees of improbability in the movies and some of them, such as Marlene Dietrich setting out with a fantastically complete wardrobe in quest of her soul, fill one with a frothy skepticism, while others, such as Laurel and Hardy as two pairs of identical twins, merely seem to be part of a world in which anything is likely to happen. It was a curious double-billing, and people who were really moved by the soul-predicament of Miss Dietrich and Mr. Boyer probably will resent the spectacle of Laurel and Hardy rocking on the edge of a twenty foot drop, with their feet embedded in kettles of cement. "Our Relations" wasn't in fact very high-toned—just the usual series of complications doubled in this case, and braced by twice as much violence as usual. But it was funny most of the time and if it seemed a little rude in its content to Miss Dietrich and Mr. Boyer, at least it made the audience feel better.

"BROKEN BLOSSOMS" starring Dolley Haas was disappointing. The producers apparently were over-impressed by their task of following up a silent masterpiece and worked so hard over the subtler aspects of their material that they ironed all subtlety out of it. Except for one impressive moment of terror at the end Miss Haas seemed to be simply an adult impersonating a child, an even more disconcerting thing than a child imitating an adult.

"L'Atalante" a French film exhibited on Monday evening, January 18, by the National Film Society was a curious and beautiful picture which revealed through directorial and camera magic a world half-dream, half-reality. Reduced to its simplest scenario terms "L'Atalante" is built on the basic boy-meets-girl-loses-girl-finds-girl formula. But while the narrative follows a standardized pattern the picture itself has the crazed logic of a dream, with time and space arbitrarily contracting and expanding, with flesh and blood actors taking on the quality of apparitions and with the strange fanlike extensions of landscape, the shiftings of place and predicament that belong to nightmare. Ironically "L'Atalante" is an exceptionally beautiful film, but its special value lies in its imaginative and often frighteningly realistic detachment from reality.

"LITTLE WOMEN"

BY MARGARET LAWRENCE

CLARE TREE MAJOR scored another hit with the children of Toronto when she presented Louisa Alcott's immortal story at the Eaton Auditorium on Saturday afternoon, January 16th.

The young lady not yet in her teens sitting beside me told me that she preferred the production of The Children's Theatre of New York to the film version and explained her preference. It was because of "consistency of atmosphere," she said. Which was very true. In four short acts the play took the audience into the book, and more than this, into that simple home in Concord which so gently stressed the New England tradition of high thinking and plain living.

The players did themselves and Mrs. Major great credit. Boisterous warm-hearted Jo held the pitch and the rest came up to her. Slightly pretentious Amy flirted with big words and had hysterics realistically. It is interesting to watch the fascination a thoroughly emphatic crying spell has for an audience of children. This is something they understand the histrionics of and they watch the performance with the critical alertness of an expert. Amy satisfied them. Beth and Meg, being rather too angelic, did not make quite such an impression, but when Laurie came bounding in everybody sat up. He was Laurie right out of the book. His grandfather, a dignified Emersonian figure, appeared, and Aunt March flourished her stick at the family while Marmee taught her flock to be unselfish by herself being unselfish. Lessons of character were put over, in the play, as in the book, without any dogmatism, and the March girls managed to have a dramatic and interesting time of it in the midst of a strict observance of the canons of conduct. The costuming was excellent, the children in the audience being particularly taken with the pantalettes worn by Amy and Beth.



CONDUCTS. Ettore Mazzoleni, who will conduct his own transcription of Bach's Passacaglia and Fugue at the concert of the Toronto Symphony Orchestra at Massey Hall on Jan. 26.
—Photo by John S. Steele.

MUSICAL EVENTS

(Continued from page 6)

"Appalachia," a work which, to quote the program notes, "is made up of various distinguishable sections, contrasted in mood . . . though not in the classic variation form." It is, I believe, the earliest of this composer's great choral and orchestral works. The chorus is used sparingly, and is rather an extension of the orchestra than a separate choral entity. In this performance the choir was a little too much in the background, however, and a good deal of the softer parts did not come through effectively. The program concluded with Bax's "St. Patrick's Breastplate," a very fine performance. Indeed, I do not think that the Conservatory Choir has ever done better work, and this stupendous Christian



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anthem, which yet has a flavor of close a concert of rather unusual paganisms, brought to a most effective interest.

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The Bank of Toronto Eighty-First Annual Report

Canadian Business Continues to Improve Assets Show Nearly \$9,000,000 Increase

Addresses of President, Mr. John R. Lamb, and General Manager Mr. H. B. Henwood to the shareholders.

Mr. John R. Lamb, President
Gentlemen:

Our Annual Meeting this year takes place under somewhat brighter conditions than those of several years past. The outlook, also, is generally good, with the exception of the ever-present possibility of international complications, which would change the situation entirely.

We have had nearly four years of fairly consistent recovery, with a gradual building up of confidence in the future. People were slow to realize that the former had been really turned. Now that this stage has been passed, there is an inclination to indulge in speculative activity. In the past two years stock-market values have nearly doubled, part of these being purely in the expectation of future earnings. Meanwhile over ten per cent of our workers are unemployed and some important phases of business—automotive, real estate and building, have so far remained inactive. Our own assets have not yet achieved the advanced stage of activity which is needed to provide real prosperity. It is therefore necessary that we between the unproductive assets and resources of the day with some thought about what remains to be done.

International events and particularly the recurring possibility of a major war at first over the Ethiopian and later over the Spanish situation, were a cloud on business during the year and interfered with plans for expansion. The political and economic situation in the Old World can scarcely be said to be improving now. If any improvement is to come, and as a part of that situation Europe can find it, we believe in our view as some powerful and independent movement to the South, where land and economic matters are more a reality to follow. We cannot, however, have tried to make the best of circumstances from day to day, and will continue to do so, inasmuch as the world moves away from this constant threat of major wars. If this ever happens, we feel the confidence and security as significant to the development of our wide areas and great resources.

In the midst of this situation uncertainty there has been some progress in trade relations. The total foreign trade of Canada increased from 1,378 millions in the twelve months ended March, 1935, to 1,425 millions in the period ending a year later, imports rising from \$52 millions to \$74 millions, and exports from \$86 millions to \$93 millions. This is a very large gain in the value of exports has been due in part to the using of surplus stocks of some of the basic commodities, the resulting rise in the price of which has been of great benefit to Canada. While partly offset by the increase in imports, there remains the unusually large favourable balance of 368 millions for the past year. This is not far from a normal condition for Canada, in view of the heavy investment of outside capital in this country, the annual earnings on which must be covered by commodity exports unless the debt is to be further increased. In these days a narrow view is being taken of international credit, and this cannot be criticized in the light of recent events. Trade, consequently is largely on the basis of barter, with a few leading currencies serving as media of exchange and for short-term credits.

Coupled with this improvement in our external trade, there has been expansion in domestic business. Growth in buying power is cumulative in its influence, and we have benefited from improvement in the three previous years. Crops in 1936 suffered severely from heat and drought in parts of Ontario and the prairies and in a large section of the United States, but the net result has been such a rise in prices as to increase the buying power of farmers as a whole in Canada.

The lumber industry has come back strongly, providing employment and healthy activity in many communities. This has extended to newsprint, some plants being at or near capacity, with the price situation nearing the point where advances may be made.

The mines continue in the forefront of development. New gold properties have widened our frontiers of settlement in several directions, while demand for base metals has recovered to levels which encourage production and exploration.

In manufacturing there has been widespread recovery due to accumulation of demand from both export and domestic sources.

Construction is practically the one industry which seriously lags behind the general recovery. There is perhaps little which can be profitably said with respect to the building industry. Houses are needed, but the industry cannot go ahead because it is not on an economic basis. Costs and carrying charges are too high. No doubt an absolute dearth of housing will, in time, bring about some readjustment. In the meantime, progress will probably be disappointing.

Looking around us at this time, we are inclined to ask ourselves what are the difficulties still in the way of full and sustained recovery? We would name them in the following order:

1. Our heavy public debts with consequent onerous taxation;
2. The cost of Government, for which the wide extent of the areas within our borders is partly responsible;
3. A population relatively small in proportion to territory occupied;
4. Our annually recurring railway deficit.

We should name, also, trade barriers in the form of import duties, quotas and depreciated currencies which are still so considerable as to make it impossible for foreign trade to reach the level which is needed for a full measure of prosperity in Canada. These difficulties cannot be overcome in a month or a year, but with unity of purpose and strict economy in public expenditures we may look forward to gradual improvement.

As to the more distant future, we must expect reactions somewhat similar to those which have occurred in the past, but with shortages to be made up in so many ways as can reasonably look to a few years of comparative activity. Easing of trade barriers will help a lot in that direction. Another factor is the additional reserve of credit that has been made available through the reduction in the gold equivalent of the dollar. The significance of this is gradually becoming apparent in the rapid advance in commodity prices, accompanied by financial easing. It appears that from now on the real problem will be to keep activity within healthy and constructive channels, rather than have the movement dissipated in a boom based on artificial conditions.

Turning now to our own business of banking. If the Banks are not the first to feel the blight of a depression they are certain to be among the last to experience the benefits of recovery. Those of you who follow banking figures published each month through the Government, will have observed that commercial loans, which constitute the principal source of bank earnings, again show a decrease of 164 millions or 19% for the year ending 30th November last. Deposits by the public in Canada have increased by 139 millions, and securities are up by 179 millions to 1,316 millions, an increase of \$26 millions since 1926, and still rising. These figures cause us seriously to think, and to ask ourselves when and at what cost we may get back to a position where the proportion of our funds invested in this form is in more reasonable ratio to deposit liabilities.

Our own commercial advances are down 12 millions. This re-

duction is due almost entirely to smaller advances against grain, both to the Wheat Board, and to the Trade against the current year's operations; in fact, our grain advances have not been so small for many years, but liquidation of the wheat carryover and the brisk demand for the 1936 crop are sound movements and are welcomed by the Banks, although in the meantime advances are very substantially reduced for ourselves as well as for other banks.

We are glad to see indications that the trend in commercial loans is changing. In the later months of 1936 substantial increases were reported, and we fully expect to see further gradual increases during the current year, reflecting forward buying of raw materials and higher commodity prices.

You will see that our profits for the year have been satisfactory. I will not allude further to the figures, as the General Manager will deal with that subject.

I do wish to refer to the load of Dominion, Provincial and Municipal taxes borne by the banks, which in our case amounted to \$8.57 for every share of stock outstanding, or nearly as much as the dividend payments.

Our profits, after depreciation of bank premises, amounted to 6.39 per cent, on shareholders' total equity, which can hardly be regarded as excessive for a common stock carrying a double liability.

Banks do not object to paying their share of taxes, but we are subject to special levies which cannot be justified except on the ground that bank investments are more profitable than the average carried by corporations engaged in other classes of business. Actually, the contrary is the case.

The number of our shareholders on the 15th of November last was 1,259, and the average holding slightly less than 45 shares. We cannot, therefore, be regarded as an organization of big capitalists, but rather as one in which capital is brought together from persons of moderate means, for purposes of administration.

Before concluding I have to refer, with great regret, to the passing during the year of Mr. Thomas F. How, formerly General Manager and a Director of this Bank. Mr. How's connection with the institution extended over 60 years, and he was at all times a competent and faithful officer.

We have also to note the resignation from the Board of Mr. A. H. Campbell whose condition of health recently has been unsatisfactory, and he desired, in consequence, to be relieved of the responsibility of office. Mr. Campbell served on the Board for over 29 years, and we shall greatly miss his presence at our meetings.

I take the opportunity, also, of introducing a recent appointee to our Board in the person of Mr. Harry J. Carmichael, Vice-President and General Manager of the General Motors of Canada, Limited, who was recently elected to replace the late Mr. Thomas F. How. We have had an acquaintance with Mr. Carmichael extending over many years. He is a first-class executive, and we are confident will prove an important acquisition to the Board.

Mr. H. B. Henwood, General Manager

Mr. Chairman and Gentlemen:

I have the honour to place before you the eighty-first annual balance sheet of the Bank covering our operations for the year ending November 30th last.

Our net profits for the year \$1,141,810.74, are \$335,418.87 over the amount reported in our annual statement of the previous year. While it has again been necessary to make appropriations for possible losses on loans and for contingencies, on the other hand we have been fortunate in making recoveries of accounts previously written off and as a result of our past policy of creating reserves we were able to charge a portion of the appropriations referred to against such reserves. It is of course impossible to forecast the future because Canadian problems are still difficult but we are hopeful that the earnings of the Bank in the immediate future will not be subjected to such heavy charges for losses as has been the experience during the last five years of severe depression.

After writing off from these earnings \$100,000 against our bank premises and paying the annual dividend of \$600,000, there remains a balance of

\$441,810.74 to add to our previous balance in profit and loss account, bringing the total up to \$1,285,375.93 which is carried forward into the new year. The principal changes in our balance sheet are as follows:

During the year our total assets have increased from \$126,918,925, to \$135,907,303, a difference of \$8,988,378, practically equivalent to our gain in deposits. Of this total \$92,435,472, or 77.37 per cent, of our liabilities to the public, consist of cash or of assets readily convertible into cash.

Loans and Discounts—\$87,554,931, are down for the year \$12,568,386, mainly accounted for by the reduction of western grain loans coincident with the liquidation of 140 million bushels of our exportable wheat surplus for the year ending November 30, 1936. This heavy reduction in loans and discounts has necessitated an increasing use of our funds in security investments, which at the end of the year amounted to \$61,216,737, an increase for the year of \$13,274,553, a very large percentage of which consists of government and municipal securities of short-date maturity. During the later months of the year there was a gradual increase in the demand for commercial funds, which we believe will continue.

and we are hopeful that during 1937 we shall see a reduction in the large proportion of our funds invested in securities.

Bank Premises: There is practically no change in the position of our bank premises account, the write-off of \$100,000 being sufficient to take care of such expenditures as we have made during the year.

Notes in Circulation—\$4,237,915, show a decrease of \$1,042,000, during the year in conformity with the legislation which again reduces the limit of our notes which we may circulate this year to \$5,400,000.

Deposits—\$110,045,103, have increased during the year by \$8,779,623, a somewhat larger increase than we had a year ago. We have found it extremely difficult to use these funds with profit to ourselves. It is, however, one of the main functions of banking to give the bank's protection to the funds of depositors, and we are always glad to do this.

Branches: At the end of our year we were operating 174 branches, one branch having been opened and four closed during the year. Every branch of the Bank has been inspected by our inspection staff during the year, and we have had the

usual audit of cash, securities and loans at our main offices in Toronto, Montreal, Winnipeg and Vancouver by our shareholders' auditors.

The public and the banks. The recent appointment of Mr. Vernon Knowles as public relations adviser by the Canadian Bankers' Association will, we believe, in time help to bring about on the part of the public a clearer and better understanding of the services which the banks are endeavouring to render. I fear bankers have in the past assumed that the public, like themselves, were familiar with the functions of banking and have failed to give sufficient information on the subject and the limitations imposed on the banks by the provisions of the Canadian Bank Act under which we operate.

General business conditions. There was a definite improvement in business generally during the year 1936. We are of the opinion that this improvement will continue during 1937, and it is our hope and expectation that when the year ends, the Canadian picture generally, both from a government and business point of view, will have made some further advance towards the more favourable condition which is so necessary to our continued prosperity.

THE BANK OF TORONTO

Eighty-first Annual General Report 30th November, 1936

PROFIT AND LOSS ACCOUNT

Profits for the year ending 30th November, 1936, after providing for	
Dominion and Provincial Taxes	\$251,835.84
Staff Pension Fund	80,000.00
and making appropriations to contingent accounts, out of which accounts full provision for bad and doubtful debts has been made	\$ 1,141,810.74
Written off Bank Premises	100,000.00
	1,041,810.74
Dividends at the rate of 10% per annum	600,000.00
Balance of Profits carried forward	441,810.74
Profit and Loss Balance 30th November, 1935	843,565.19
Profit and Loss Balance 30th November, 1936	1,285,375.93

EIGHTY-FIRST ANNUAL BALANCE SHEET 30th November, 1936

LIABILITIES

Notes in Circulation	\$ 4,237,915.00
Deposits by and balances due to Dominion Government	263,222.15
Deposits by and balances due to Provincial Governments	1,278,349.81
Deposits by the public not bearing interest	30,281,565.78
Deposits by the public bearing interest, including interest accrued to date of statement	78,221,965.71
Deposits by and balances due to other chartered banks in Canada	991,250.71
Deposits by and balances due to banks and banking correspondents in the United Kingdom and Foreign Countries	1,759,445.59
Bills payable	2,750,696.30
Acceptances and Letters of Credit outstanding	416,500.00
	2,021,199.82
Capital paid up	119,471,414.57
Reserve	9,000,000.00
Dividends declared and unpaid	150,513.24
Balance of profits as per Profit and Loss Account	1,285,375.93
	16,435,889.17
	\$135,907,303.74

ASSETS

Gold held in Canada	\$ 792.68
Subsidiary coin held in Canada	213,040.42
Notes of Bank of Canada	1,929,778.00
Deposits with Bank of Canada	11,927,295.15
Notes of other chartered banks	416,125.00
Government and bank notes other than Canadian	76,670.28
Cheques on other banks	7,551,455.54
Due by banks and banking correspondents elsewhere than in Canada	3,020,296.32
	\$ 25,135,453.39
Dominion and Provincial Government direct and guaranteed Securities maturing within two years, not exceeding market value	5,714,556.64
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value	43,492,223.17
Canadian Municipal Securities, not exceeding market value	7,201,556.17
Public Securities other than Canadian, not exceeding market value	1,050,961.97
Other Bonds, Debentures and Stocks, not exceeding market value	3,757,436.40
	61,216,737.35
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	6,083,281.32
	67,300,018.67
Current Loans and Discounts in Canada, not otherwise included	92,435,472.06
Loans to cities, towns, municipalities and school districts	32,761,495.74
Non-Current Loans—estimated loss provided for	4,535,071.98
	288,363.94
	37,554,931.66
Liabilities of Customers under acceptances and Letters of Credit, as per contra	129,990,403.72
Mortgages on Real Estate sold by the Bank	2,021,199.82
Bank Premises, at not more than cost, less amounts written off	44,990.11
Deposit with the Minister of Finance for the security of the note circulation	3,501,285.69
	349,421.40
	\$135,907,303.74

JOHN R. LAMB
President

HARVEY B. HENWOOD
General Manager

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of the Bank of Toronto

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with such information as we have required, and in our opinion the same are correct and in accordance with the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year and during the year we examined the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have in our opinion been within the powers of the Bank.

D. M. K. McLELLAND, F.C.A.
of Price, Waterhouse & Co.
W. D. GLENDINNING, C.A.
of Glendinning, Gray & Roberts

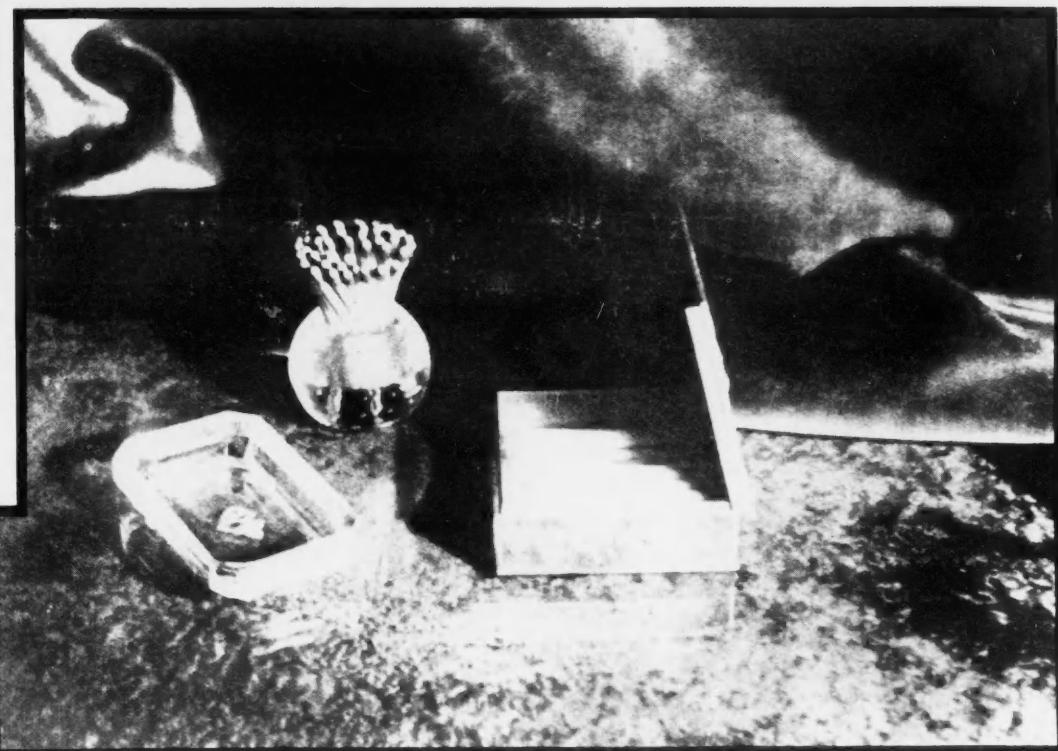
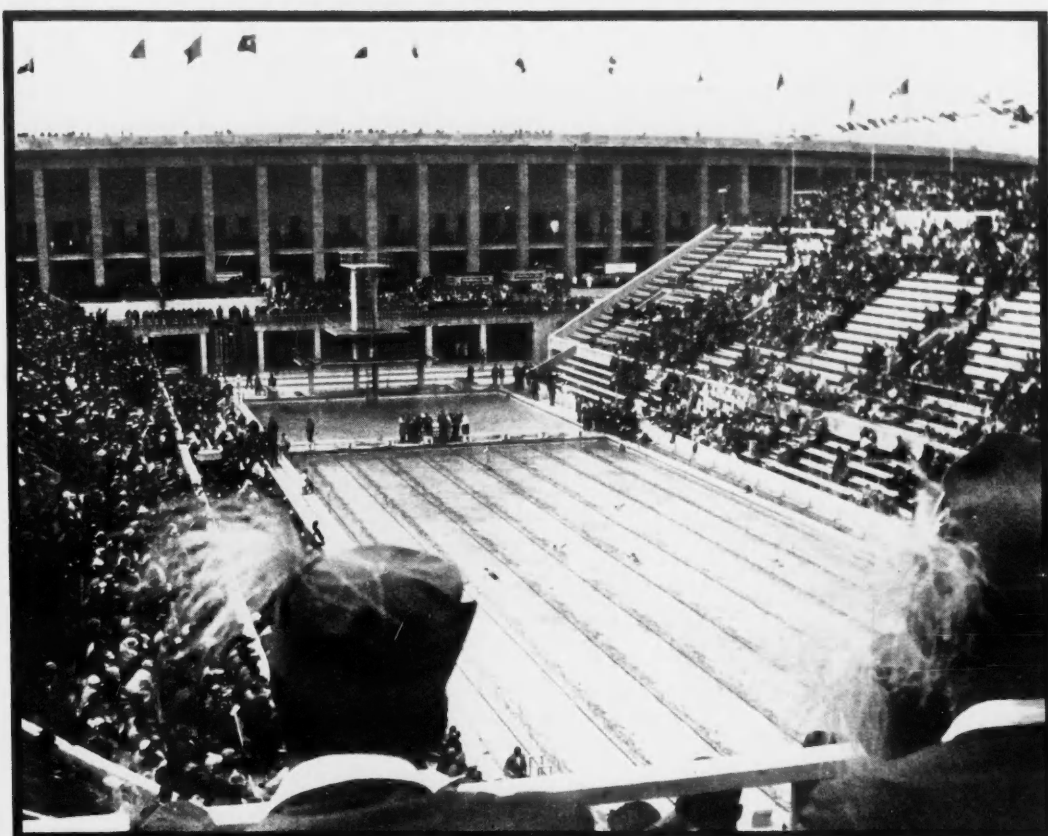
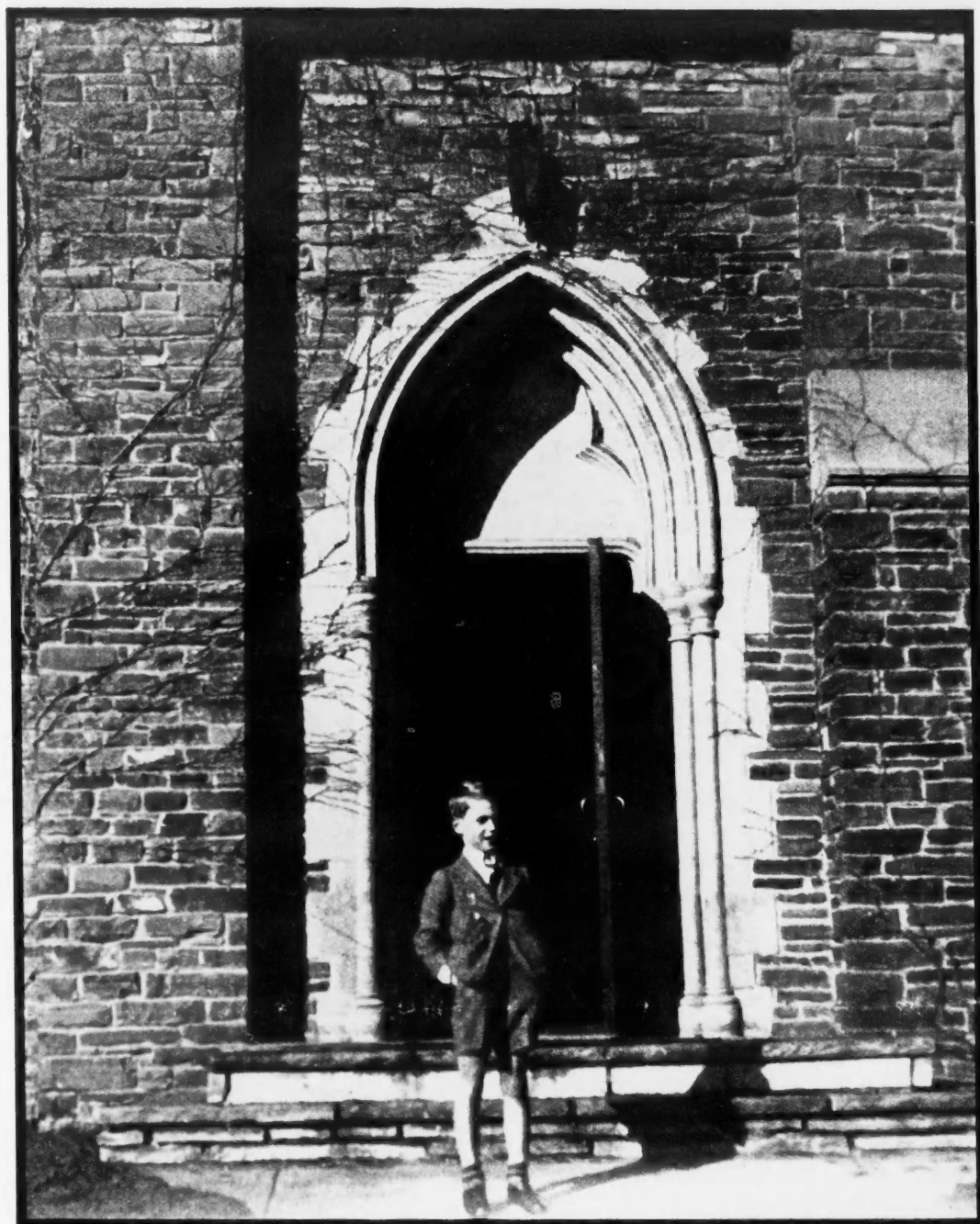
Toronto, 21st December 1936

SATURDAY NIGHT

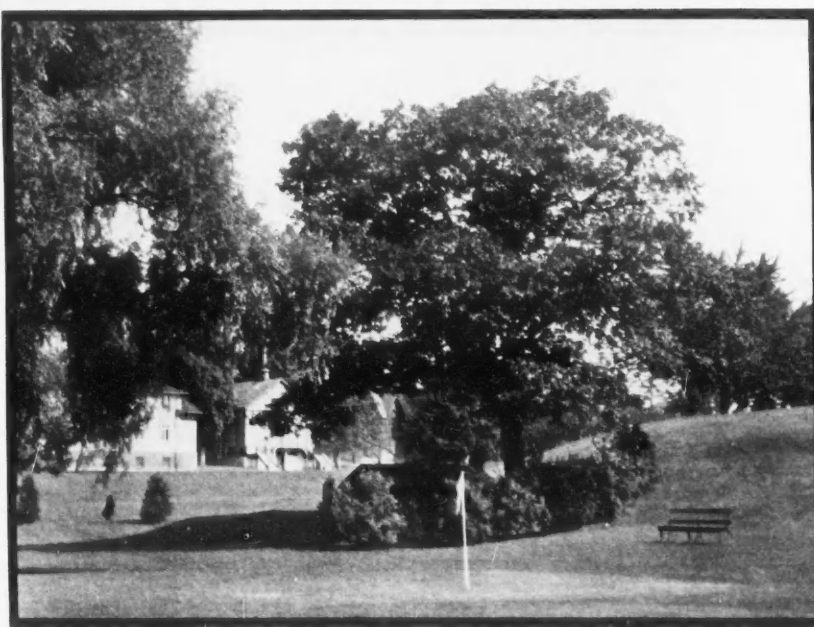
PEOPLE » TRAVEL » FASHION » HOMES » LETTERS

TORONTO, CANADA, JANUARY 23, 1937

THE MINIATURE CAMERA AT APPLEBY SCHOOL



PHOTOGRAPHS on this page were among those exhibited at a recent competition of the Camera Club of Appleby School, Oakville, Ontario, where many of the students are making excellent use of miniature cameras. TOP LEFT, William Phippen, son of Mr. and Mrs. Gordon Phippen, Toronto, photographed in front of the Chapel door by J. H. Gardner, son of Major J. A. Gardner, of Toronto and Oakville. TOP RIGHT, the 100-metre swim at the Berlin Olympics, by J. W. Weiss, grandson of Mr. Frank Rolph, Toronto. MIDDLE LEFT, the ivied wall of the Chapel. MIDDLE RIGHT, "Still Life", by J. E. M. Ross, son of the former Lieutenant Governor of Ontario. Immediately below the still life study are photographs of Aberdeen harbor and the Isle of Skye, and LOWER LEFT, the harbor of Portree, all taken by J. E. M. Ross. LOWER RIGHT, a view of part of the school campus at Oakville.



"THE MINX" MINIATURE PIANO

with full 7 octave keyboard brings
the creative enjoyment of music
to small homes and apartments.



Side View

Back View

Such rich, vibrant tone and splendid volume! You can hardly believe they come from a piano not much more than half the size of the old-style upright. Beautifully designed in art or two-tone walnut and mahogany finishes, or custom-finished, at a slight additional charge, to match your decorative scheme.

34 inches high
52 inches long
20 inches deep
— \$268
(only 8.65 months)

NO DOWN PAYMENT

when you buy on the
Special Home Loans
Club Plan—31 equal
monthly amounts of
\$8.65, starting one
month from date of
purchase.

Your present piano accepted as part payment.

Simpson's
Sixth Floor

A Second Generation

Of daughters is being brought to the Hiseott Institute for the treatment of skin troubles contingent on youth. In its forty years of experience the Hiseott Institute has built up such a faithful clientele that many a mother will say that she remembers her mother bringing her there and how thankful she has always been for the resulting fine complexion. Special attention is given to small pimples and black heads and the treatment of eczema. Consultation without charge. Prices moderate.



Hiseott
Institute Limited

614 College Street Ad. 9652

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18 DAYS
The White Cruise
Liner De Luxe
Sailing from New York
JAN. 27
AND
FEB. 17
18 DAYS from \$220
Visiting — PUERTO RICO
TRINIDAD — VENEZUELA
CURACAO — PANAMA
JAMAICA — HAVANA

41 DAYS
A Perfect Cruise on a
Perfect Ship
Sailing from New York
FEB. 3rd
Visiting HAVANA
JAMAICA — CURACAO
BAHIA — RIO DE JANEIRO
SANTOS — TRINIDAD
MARTINIQUE — BERMUDE
Enjoy the hilarious hijinks of
"crossing the Equator," dance
under the Southern Cross, view
Rio's glamorous harbor, while
sailing on a truly "off the
beaten track" cruise.

SWEDISH AMERICAN LINE
1410 STANLEY STREET, MONTREAL, QUEBEC

Announcement

The engagement is announced of Margaret Rose, daughter of Mrs. Rose Lapp, of Brighton, to Mr. Samuel Richard Curry, of Iwerd, son of Mrs. Agnes Curry, of Belleville. The marriage will take place in Toronto the middle of February.

TRAVELERS

Mrs. A. J. Milner, of Toronto, sailed recently on the Lady Somers from Boston to Nassau.
Mr. K. Bagge, who has been attached to the Swedish Legation in Tokyo, arrived recently in Quebec to join his mother, who has been visiting Mrs. E. Joly Lefebvre. The following day Mrs. Bagge and her son left to sail on their return to Sweden.

THE DISTAFF SIDE

BY MARIE CLAIRE

WE WERE rather entertained by some details of present-day life in Germany recounted here this week to a small group by a young German professor.

Not the least interesting part of his lecture dealt with the Nazi arrangements for encouraging shop and factory workers.

Instead of merely subsidizing rest camps and so on where the staffs may spend their fortnight's holidays for a nominal sum, Hitler's plan is to give them a chance to see the world and incidentally spread Nazi doctrines. The tours are usually by sea. Some 2,000 workers from different factories may be signed up for one trip, a whole ship is chartered and people who have perhaps never been 20 miles from home are taken for a long sea voyage touching at famous ports for sight seeing. One of the latest tours included all Scandinavia. It is carefully arranged that the passengers go ashore in small groups at different hours, thus preventing the enthusiastic herd raising a revolution among their kind in another country. Hitler's pleased travelers manage, however, to do a pretty piece of advertising wherever they go. How could they help it?

Plans for the future include arrangements for a visit to New York this year, the round trip to be made in three weeks.

It sounds as though an industrial job in Germany might have its points. But there are always people who would find it tiresome to constantly hear Hitler and sing Nazi songs after dinner as the travelers are said to do. Put us down as one of them.

COMPULSORY reading of one kind and another has been cruelly crowding out our choice of literature lately. We have, however, got well into the new murder story in the *Post*, and this week we have greatly enjoyed "Anne Douglas Sedgwick—A Portrait in Letters," published by Houghton Mifflin, New York—a delightful book.

The letters from the author of that enchanting novel "The Little French Girl" and "Tante" and a dozen others—books that appeared every couple of years from 1898 to 1930—are as full of life and personality without extravagance as any of her books. They are chosen and edited by Basil de Selincourt, her husband, whose own good writing is well known to readers of London's best weeklies.

At twenty-five, when she had just published her first book, we find her writing a merry but withering letter to George Moore—there is another to Henry James whom she greatly admired in spite of what she shrewdly calls "his trick of triviality in style" and "mordant adroitness to unessential trivialities." But the bulk of the book is letters to women friends—letters of great vitality and charm on every subject that occurred to her and might interest them.

The portrait that emerges is of a charming and intelligent woman who was interested in most of the things that interest all of us and who could, alas! write about them with much greater art.

She died a little more than a year ago. Her letters continue in gaiety till the last, written a fortnight before the death against which she battled with the greatest good humor, and all the strength of her positive passion.

for living. There was no "twilight gloom apart" here, or meeting death like a friend. But one is left with a very fine feeling that though she died speedily, it wasn't death who had the last word.

TWO friends record this as having occurred under their eyes in a Toronto store last week. In the full before the big January-February Sales, the great spread of floor space dedicated to the display of furniture was very quiet. Three small and ragged urchins sat off the elevator and sauntered over to the display of occasional tables. After a bit of amiable discussion, apparently of height and shape rather than value, one of them picked up a coffee table and the other two followed him to the far end of the floor where it was put down in front of what is known, we understand, as a Chesterfield suite. Our friends hovered round and watched the two chairs drawn up and the smallest boy, on the settee, produce from his back pocket a soiled deck of cards from which he expertly dealt a poker hand. All three players gave their complete attention to the game.

It was some time before an assistant moved over to see why a little group of customers was forming among the Chesterfields. "Here, here—you can't do that here . . ."

"We're doing it, ain't we?" said the dealer, picking up his hand unemotionally.

"Go away till we've finished this hand," said a male member of the audience, "I've got money on this . . ."

The assistant looked flustered and hurried away, and when he came back with the superintendent the game was through.

We are prepared to join any League for More and Better Playgrounds—with facilities. They're obviously a crying need.

THE big perfumiers have been doing some pretty waiting of late and there are plenty of good new scents on the market. Their names seem rather intended to confuse than enlighten, but at least we are getting away from the word "Amour."

It's the old maestros, though, who can still tie the sex appeal up in a simple bottle and make you feel like Cleopatra while you think of your favorite flower like a nice girl. Floris of London is one of them . . . by appointment to the King 'n everything. The Sea Captain's shop has the exclusive rights to the sale of these lovely flowery odors here. They are done up very simply in that somewhat unalluring British way, at three and six dollars a bottle, but there is plenty of languor and quiet exultation about the contents, my dears. Take your choice of the royal gardens—we picked *Jasmine* which we find has done something very pleasant to our aura—there is also *Gardenia*, *Stephanotis*, *Maharajah*, *Honeysuckle*, *Roman Flacynth*, *Lilies*, *English Violet*, *Red Rose*, and *Russian Leather*. J. Floris was making the latter long years before Chanel adopted the name for one of hers. To us it doesn't smell like any leather, Russian or otherwise, but then we can't see why that should upset any of you. Sorry we don't know whether she is using it in the south of France or not. It's quite possible, however, he sent her some for Christmas, too.

MILLIONS FOR HOMES

BY NORMA PHILLIPS MUIR

Editor's Note—The following article is based on an exclusive interview with Hon. Norman Rogers by the author on the subject of the Home Improvement Loan.

THERE does not seem to be as full and as general an understanding of the privilege and scope of the Home Improvement Plan as there must be if this Government measure is to serve the purpose for which it was enacted; that is, to rescue men from the ranks of the unemployed, and home-owners to improve and repair their properties, and in particular to assist the building trades, so badly hit by the years of depression.

The Dominion Departments of Labor and Finance, as well as the National Employment Commission, each has its part to play; and it was to discover just what these parts are, from the most authoritative sources, that the Plan works, and what hopes it envisages, that *Saturday Night* sent this envoy to Ottawa.

Sitting in his office with the Honorable Norman Rogers, a man, who, by the way, appears remarkably young to have achieved all he has in academic, economic and political fields of endeavor—definite questions concerning the responsibility and methods for the working out of the Plan were put to the Minister of Labor. These questions and Mr. Rogers' clear and concise answers are here presented:

Q—What are the responsibilities of the Department of Labor in connection with the Home Improvement Plan?

A—"The details of the Home Improvement Plan have been worked out by the National Employment Commission, a Commission set up by statute under the Department of Labor which maintains close contact with all parties interested in the Commission. The Home Improvement Plan, however, is essentially a financial measure and its administration will be under the immediate control of the Department of Finance. As a Department of Labor we are particularly interested in the employment aspect of the Plan and will utilize the facilities of the Employment Service to see that every effort is made to secure the maximum benefit for those who are unemployed in the building trades."

Q—How does the Department function in this regard?

A—"The National Employment Commission, which is under the Department of Labor, is responsible for the conduct of a nationwide publicity campaign, for the organization of provincial advisory committees and local committees in the towns and cities which in turn would be charged with the responsibility of promoting

the widespread adoption of this plan."

Q—Is there any grant of money from the Dominion Government or through the Department of Labor for the publicity needed?

A—"The cost of the publicity campaign has been defrayed entirely by public-spirited concerns and individuals as a contribution towards that nationwide co-operative effort which was envisaged by the Parliament of Canada in the National Employment Commission Act."

Q—What is the Home Improvement Plan hoping to accomplish?

A—"The purpose of the Home Improvement Plan is two-fold: First, to provide opportunities for employment for members of the building trades, because statistics on unemployment reveal the fact that these trades have been very seriously affected by the depression. The second purpose, of course, is to increase the general standard of home comfort throughout the Dominion."

"The widespread adoption of the Home Improvement Plan will not only give work to those actually engaged in carrying on building operations, but will provide a steadily increasing volume of employment to those in industry who are engaged in the production of articles and materials which go into building."

Q—What is the feeling of the trades and industries involved in making these home improvements?



Hon. Norman McL. Rogers

If mildness appeals—

"EXPORT"
CIGARETTES
—will win you.

Lehigh Valley Service
It's always Summer in Florida
Let us help you plan your winter vacation...
COMPLETE TRAVEL INFORMATION
Reservations, etc., from C.N.R. Agents or Canadian Passenger Agent's Office, 11 King St. West, Toronto. Phone ELgin 2214.
Lehigh Valley Railroad
The Route of The Black Diamond

Half the Trip is Dining
Enjoy Every Meal...
Use **MOTHERS' SEASICK REMEDY**

A—"Practically all comments which have been received from members of the building trades have been favorable, and the expectation seems to be that if the Plan is widely adopted large numbers of building mechanics will once again be steadily employed and independent. The industries which will be the most affected by the adoption of this Plan have already shown their enthusiasm for it as is evidenced by the widespread use of advertisements urging prospective clients to improve and modernize their homes by taking advantage of the Home Improvement Plan."

Q—Who is "the man behind the gun" in the Plan, and what are his qualifications for this job?

A—"The Home Improvement Plan from its outset in Canada was co-operative in its nature. No single individual can be ascribed all the credit for its initiation. Modeled, in a measure, on the modernization credit plan of the United States Federal Housing Commission, it was the object of study by the Government before being adapted to Canadian necessities. In the early stages, Professor W. A. Mackintosh, of the National Employment Commission, devoted considerable study to the scheme. I, as Minister of Labor, laid it before my colleagues in the Government. Negotiations with the banks were brought to a successful conclusion through the efforts of Hon. C. A. Dunning, Minister of Finance, and Arthur D. Purvis, Chairman of the National Employment Commission. Mr. Purvis has devoted his untiring energy and great business ability to promoting the success of the Plan. Wise counsel and helpful support were given by the Vice-Chairman of the Commission, Tom Moore."

Q—Should this Plan not greatly benefit large property owners in various cities, men and women who own and have for rent properties which, under this Plan, they can afford to renovate or remodel and thus make attractive to a better class of tenant?

A—"Yes, certainly. Many properties which have been rapidly depreciating through lack of maintenance, have been commanding steadily decreasing rents. The margin on these rents has made it impossible for the owners to do the necessary repairs and improvements to maintain the rental income. The Home Improvement Plan gives these owners an opportunity to save their properties from gradual but total loss and make of them economically sound and safe investments. Owners of homes can convert waste attic spaces into attractive rooms for rent which would pay a good return on the investment. Garages can be enlarged to accommodate an extra car, the income to be derived from this improvement being sufficient to meet the monthly payments on the loan."

Q—Is it not probable that many improvements of property will likely be made either in a competitive or protective spirit by private capital—that is, owners' funds?

A—"Undoubtedly the impetus given to building improvements under this Plan will stimulate the investment of private capital along the same lines. In the United States where a similar plan since 1934 it is estimated that a dollar spent under this Plan was multiplied by four in private capital investment. If the same experience becomes ours, it is not unreasonable to assume that some \$200,000,000 worth of building improvements will be made. It is not difficult to realize what a tremendous amount of employment this would create primarily among the depressed building trades."

Q—The myriad possibilities opened up by that staggering figure of \$200,000,000, which Mr. Rogers felt it was "not unreasonable to assume" might be spent in building operations, was responsible for the sudden and unprecedented breaking of a vow to ask only one question at a time, and that question couched in its most concise form:

"Isn't it probable that the general housing level, then, may be raised through this cycle of events? Money borrowed for improvements will mean the employment of men to do the work; the work being done implies purchases of materials; these purchases imply depletion of stocks which in turn will mean that more must be manufactured . . . and this impetus given to manufacturing will imply the need for manufacturers to purchase more from the primary producers? Is that right?" Mr. Rogers was asked. And then, before he really had time to answer, enthusiasm dictated another query:

"If the people who can see their way clear to do so, whether by use of money loaned or by private enterprise, will improve their properties, thereby helping to put men back to work, putting money back into circulation and so raising housing and general standards of living, should not this simple, 'red-tape-free' Plan do much to restore Canada to her pre-depression prosperity?"

Mr. Rogers nodded.

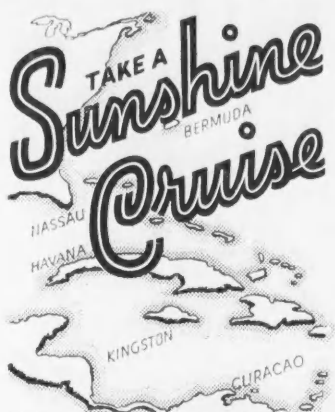
"In these questions you have struck at the heart of the scheme," he said. "It isn't only the direct employment of mechanics of the building trades which is to be brought about. A revival in the building trades will soon be felt in such industries as cement production, logging and lumbering, brick manufacture, gypsum, lime, electrical supplies, plumbing fixtures and a host of others, each with its own ramifications extending back to the primary industries. The increased purchasing power of all these workers will make itself felt in an increased demand for consumer goods generally, which in turn means more employment, in all branches of the Dominion's industries. No one can doubt the need for home renovation in Canada. The Home Improvement Plan creates the opportunity to meet this national need."

"But this plan presents us with an obligation as well as an opportunity. Our opportunity as home-owners is matched by our obligation as citizens. In every city, town and village of Canada there are men on relief or unemployed who are able and anxious to use their idle hands in the improvement of our homes. These men are our neighbors and our countrymen. Many of them are skilled mechanics. Their craftsmanship and experience are a national asset which must not be wasted. Most of them have families dependent upon them. Many of them have had no work for the entire period of the depression. We owe these unemployed workers in the building trades an opportunity to re-establish themselves in their chosen calling. Our opportunity to improve our homes is their opportunity to recover independence, self-respect and a livelihood. To the extent that work is created by the Home Improvement Plan, relief rolls will be reduced, the tax burden will be lessened, and, most important of all, the welfare and happiness of our people will be increased beyond measure."

"There is a natural tendency to feel that what each individual can do under this plan is of small importance when compared with the large amount of unemployment which still exists throughout Canada. But the effect of a multiplication of home improvements by individuals can be of tremendous value. Do not feel that your individual contribution to a building revival is of little significance," urged Mr. Rogers. "It is the sum total of all these individual efforts across Canada which can create a steadily increasing volume of new employment and assist materially in hastening the movement towards recovery."

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From NEW YORK

to the

WEST INDIES and

SOUTH AMERICA

Feb. 6 GEORGIC 18 days \$220.00
 17 AQUITANIA 40 days 495.00
 17 BRITANNIC 20 days 240.00
 27 GEORGIC 18 days 220.00
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NASSAU SERVICE

"CARINTHIA" 6 days—from \$70.00
 Sailing every Saturday from Jan. 23
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Regular sailings during the

winter from New York, Boston
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The ship is your de luxe hotel
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173 Bay Street, Toronto
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—History of Canada, January 11-18

CANADA TO HELP YOUNG

DOMINION

Commons: Speech from Throne at opening of Parliament announced bills will be introduced to amend and consolidate acts relating to combines in trade and industry; to provide for pensions to the blind at lower age than 70; to establish a Trans-Canada Air Service; to revise capital structure of C.N.R.; and to assent to the alteration in law touching the succession. The Speech also forecast measures to be taken in co-operation with the Provinces to assist unemployed young people, and announced that "agreement in principle" had been reached with Great Britain on new trade treaty. The Commons unanimously passed a resolution of loyalty to George VI. Mr. Woodsworth protesting against the procedure of the Cabinet in agreeing to the abdication and "making" a new King without consent of Parliament. **Coronation:** Canada's representatives on the commission responsible for coronation of George VI will be Prime Minister Mackenzie King, Hon. Vincent Massey, and G. P. Vanier, secretary of High Commissioner's office. **Defence:** Hon. Ian Mackenzie, Minister of Defence, cancelled two radio broadcasts on which, it was announced, he planned to discuss defence matters; it was stated the broadcasts were "postponed" until after he lays the plans of his Department before Parliament. **Employment:** National Employment Commission announced 46,117 single unemployed, including 4,944 women and girls, placed in farm homes for winter under Farm Placement Plan and similar supplementary plans. **Home Improvement Plan:** Finance Minister Dunning announced that in first six weeks of operations 2,640 loans totalling \$993,985 have been made under the Home Improvement Plan. **Radio:** General Manager Gladstone Murray of CBC announced plans for high-power short-wave radio transmitter to link Canada with other parts of British Empire. **Legislative committee of Grand Orange Lodge of Ontario** West formally protested to Prime Minister King against "banning" of radio speech of Rev. Morris Zeidman in Toronto. **Senate:** Hon. Adrian Knatchbull Hugessen, K.C., Montreal, appointed to Senate to fill vacancy caused by death of Senator Richard Smeaton White, born 46 years ago. Mr. Hugessen was Liberal candidate in St. Lawrence-St. George in 1935, losing to Hon. C. H. Cahoon; he is youngest son of first Lord Brabourne. **Trade:** Walter Nash, Minister of Finance for New Zealand, announced tentative plans to visit Canada shortly to negotiate trade treaty. **Transportation:** Hon. C. D. Howe, Minister of Transport, announced passing of Order-in-Council permitting Government to contribute one-third of cost to cities building or improving airports on Trans-Canada Airway route; he also announced that Government is prepared to pay at least one-quarter of cost of Toronto municipal airport.

ALBERTA

Cabinet: Charles C. Ross, M. A., announced his recent resignation as Minister of Lands and Mines was result of difference of opinion with Premier Aberhart over a proposed addition to Cabinet. **Caucus:** Three-day caucus of Social Credit members reported to have greeted attempt to advance Douglas rather than native theories of Social Credit with little enthusiasm; provincial convention of Social Credit party immediately after the caucus declined to pass resolution favoring licensing of the press. **Legislature:** Premier Aberhart announced Legislature will meet on Feb. 25.

BRITISH COLUMBIA

Agricultural Marketing: Low Chong Co., Chinese Vancouver produce merchants, started Supreme Court action to have provincial Marketing Act and its amendments declared ultra vires. **Health:** Premier Pattullo announced that first payments in provincial health insurance plan will begin on March 29; it is estimated that insurance will cover 100,000 wage earners and their dependents.

MANITOBA

Birth Control: Following protests from Winnipeg Council of Knights of Columbus over Winnipeg Birth Control Society holding meeting in Manitoba Legislative Buildings, Premier Bracken forbade use of buildings by organizations "promoting causes which arouse religious or partisan controversy." **Censorship:** Manitoba Board of Censors banned film version of "Winter of '63" as having too many murders in it; the Film Appeal Board reversed the decision. **Relief:** Hon. W. R. Clubb, Minister of Works and Labor, announced provincial contributions to relief costs of municipalities will be cut five per cent. **Taxation:** Premier Bracken announced Government will introduce legislation exempting from taxation all improvements in Manitoba under federal home improvement plan.

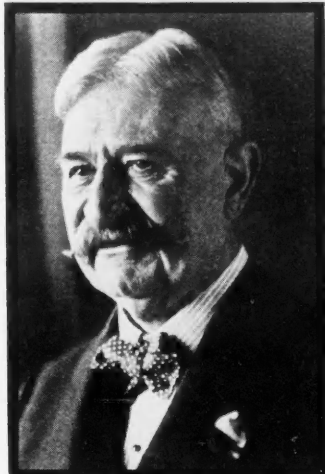
ONTARIO

Agriculture: Western Ontario potato growers held their product off the market, forcing increase in price of 30 cents a bag. **Hydro:** Chief Justice Rose ruled section of Power Commission Act of 1935 ultra vires of Ontario Legislature and awarded Beauharnois Light, Heat and Power Co. \$573,750 damages from O.H.E.P.C.; subsequently Beauharnois filed writ claiming \$2,911,363 additional damages. New federal-provincial agreement gave Ontario Hydro right to increase water reserves and power production on Trent River. **Premier:** On eve of opening of Legislature, Premier Hepburn's physician ordered him to Arizona for severe bronchial condition; Hon. Harry Nixon named acting-Premier. **Reformatory:** Rioting, breaking out in Ontario Reformatory, Guelph, continued eight hours and resulted in destruction of most of furnishing

and movable fittings before being controlled; 26 prisoners escaped but subsequently surrendered or were captured. **Secession:** Timmins municipal council unanimously passed resolution to call a conference of Northern Ontario municipalities to consider secession from Southern Ontario. **Securities Commission:** Colonel D. F. Pidgeon resigned as Chief Investigator for Ontario Securities Commission.

QUEBEC

Civil Service: Retirements announced of Alexandre Desmeules, Deputy Provincial Secretary, F. X. Lemieux, Deputy Minister of Lands and Forests, and Gustave C. Piche, chief of the Forestry Service; resignations announced of Lionel Ber-



CHARLES E. S. MACPHERSON, former assistant passenger traffic manager of the Canadian Pacific Railway western lines, whose death occurred in Winnipeg.

geron, French secretary of Department of Public Instruction, and Jean Charles Harvey, Provincial Statistician. **Legislature:** Premier Duplessis tentatively set Feb. 24 as date for opening of session. **Railways:** Agriculture Minister Dussault opposed abandonment of C.N.R. line between Dombourg and St. March in Portneuf County in hearing before Board of Railway Commissioners; commissioners reserved decision until March 1 to give railway and Province chance to reach a settlement.

OBITUARY

Adams, William, Montreal, former superintendent Simonds (Canada) Saw Co. (67). **Alexander, Ernest,** Montreal, retired secretary C.P.R. (74). **Allen, Austin A.,** Moncton, N.B., city solicitor of Moncton. **Allan, Mrs. J. S.,** Montreal, mother of Lady Marler, wife of Canadian Minister to U.S. **Cabana, Charles,** New Westminster, B.C., reputed to be first white person born on Vancouver Island (85). **Collins, Dr. William Henry,** Ottawa, director of Canadian Geographical Survey, acting director National Museum, past president Geological Society of America (58). **Davidson, James,** Montreal, former president Tios Davidson Mfg. Co. (83). **de Kappelle, Col. W. J. C. K.,** Montreal, former O.C. Fusiliers Mont-Royal (59). **Gauthier, Joseph Antoine,** Montreal, editor-in-chief of La Patrie (61). **Hamel, Jules,** Montreal, Banque Canadienne Nationale manager, musician (66). **Hawker, William,** Saint John, N.B., druggist, past president N.B. Pharmaceutical Society (96). **Hogg, Thos. R.,** Oak Lake, Man., former publisher Oak Lake News (75). **Lacroix, Judge J. O.,** Montreal, judge of Court of Sessions, former judge Montreal Juvenile Court (63). **MacPherson, Charles E.,** Winnipeg, former assistant passenger traffic manager, C.P.R. Western Lines (74). **McIntosh, Phineas D.,** Toronto, managing director Shaw's



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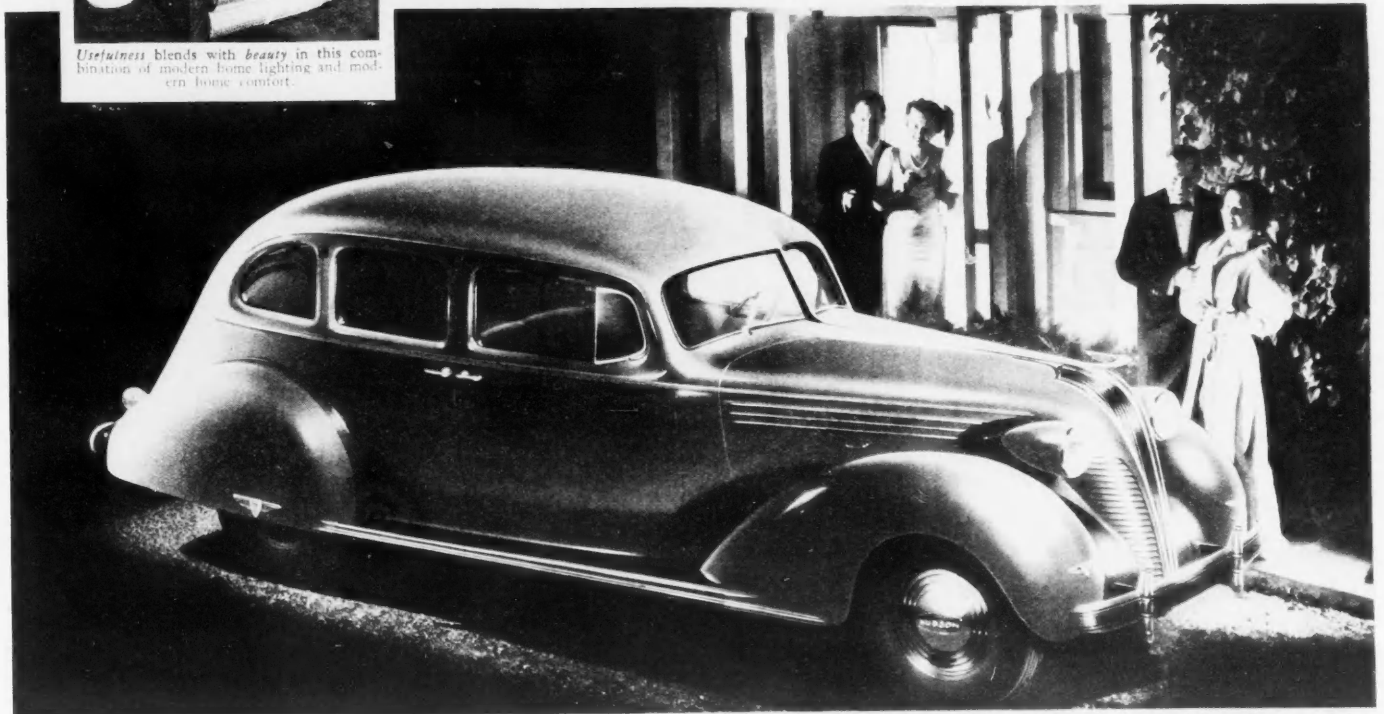
Toronto Salon and
 Consultation Room

Business Schools. McTaggart, Lachlan L., Glencoe, Ont., former warden Middlesex County (72). **Moir, William,** Halifax, former assistant manager Moir's Limited and son of founder of firm (77). **Moore, Miss Nora,** Toronto, Director of Public Health Nursing for City of Toronto. **Prowse, Lieut.-Col. W. B.,** Charlottetown, wartime O.C. 2nd Suez Battery (63). **Roberts, H. F.,** Winnipeg, assistant professor of botany, University of Manitoba, originator of Kanred strain of wheat (69).

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Beautiful style that is Useful style
 ... one of Hudson's 3 Big Steps Ahead for 1937!

The ideal car, like the ideal home, should combine beauty and usefulness—with no sacrifice of either. And in the 1937 Hudson that ideal... so long sought by designers... is attained. Completely new... a big step ahead in style! And all its beauty is useful beauty!

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That low-slung, graceful body, for example, has more room in it than any popular car has ever had... for legs and heads and shoulders. Fifty-five full inches of front seat comfort for three. Measure that on your davenport!

The floor is level... no "hump" in back, no leg-cramping levers in front. That same sleek lowness means a lower center of gravity... ability to hug the road... greater safety.

Drawing Room Luxury, On Wheels

The smart slant of the deep-V windshield means something. A larger compartment for the driver... widest vision any car ever had. Your eye follows the smooth curve of that

roof? It's more than handsome... it's safe, for it is of solid, seamless steel, as strong as the body all of steel beneath it. Those sweeping lines at the rear... just for looks? Far from it... they conceal a baggage compartment almost as big as a clothes-closet.

Inside? Luxury everywhere, all in perfect taste! Rich fabrics with smart pleatings (no skimping, no frugal bareness here)! Little, thoughtful touches all around! Elegance of detail that far outshines any car match.

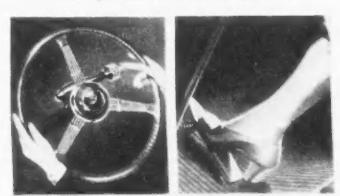
Step Ahead... With Hudson

You can't help being proud of such a car! For it is not only a big step ahead in style and room... useful beauty... but equally far ahead in driving and riding and ahead again in performance. That long, sweeping hood with its gleaming grille of stainless steel shelters an engine of 122 horsepower... the smoothest any car ever had.

"Three Big Steps Ahead of All the Rest!" And, once you've tried these cars that almost drive themselves—with Hudson's New Selective Automatic Shift—you'll know what it means to step ahead with Hudson.

Hudson Motors of Canada, Ltd., Tilbury, Ont.

With Hudson's New
 SELECTIVE AUTOMATIC SHIFT
 (An original extra on all models)



A flick of a finger...

A touch of a toe...

TO SHIFT! TO STOP! TO GO!

122 and 129-inch Wheelbases

Hudson Six... 101 and 107 horsepower; Hudson Eight... 122 horsepower.

HUDSON PRICES BEGIN AT

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plus tax, \$70, total, \$1145, for the business coupe including safety glass and all standard accessories; retail at factory, Tilbury, Ont., freight and license only extra.

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Do This For a Cold



The Modern-Day Way to Ease Cold and Sore Throat Quickly



The modern way to curb a cold is: Two "Aspirin" tablets the moment you feel a cold coming on. Repeat, if needed, according to directions in box.

At the same time, if you have a sore throat, crush and dissolve three "Aspirin" tablets in one-third glass of water. And gargle with this mixture twice.

The "Aspirin" you take internally will act to combat fever, cold pains and the cold itself. The gargle will provide almost instant relief from rawness and pain, acting like a local anesthetic on the irritated throat membrane.

Try this way. Your doctor will endorse it. It is quick, effective and

ends the taking of strong medicines for a cold.

"Aspirin" tablets are made in Canada. "Aspirin" is the registered trade-mark of the Bayer Company, Limited, of Windsor, Ontario. Look for the name Bayer in the form of a cross on every tablet.

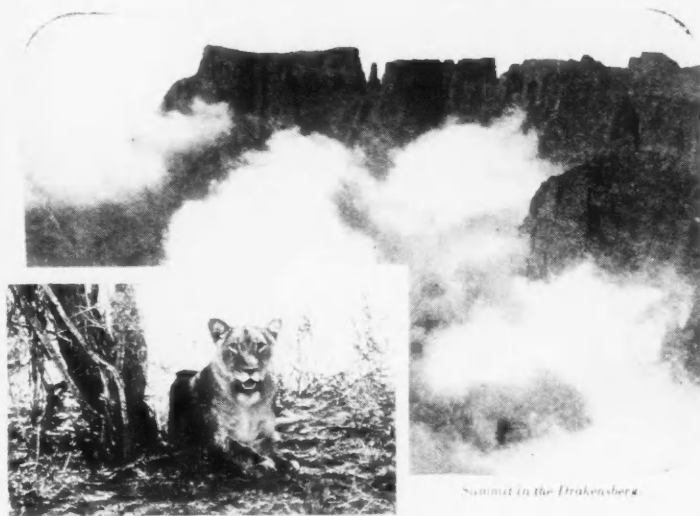


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SUNNY DAYS CALL YOU



In the Kruger National Park

Summit in the Drakensberg

...TO ROMANTIC

SOUTH AFRICA

TURN your back on winter! Sail away in a luxurious liner to a golden country, rich in the wonders of the past, abundant in nature's beauties and liberally appointed with the comforts of today's prosperity. South Africa!

The returning traveller never forgets the charm and mystery of this lyric land. The primitive beat of native music... the grandeur of the Victoria Falls... the glorious colours of exotic blooms... all these are never-to-be-forgotten memories.

While the north lies snow-enveloped, South African visitors watch the genial summer sun touch with fire the lofty peaks of the Drakensberg, or there explore the myriad caves where lie the picturesque drawings of the vanished bushmen. For them, anew, the age-old enigma of the Zimbabwe Ruins challenges the imagination. For them await the thrills of the Kruger National Park, where one may drive over smooth roads and see, at close range, all forms of African wild life, untamed and unafraid.

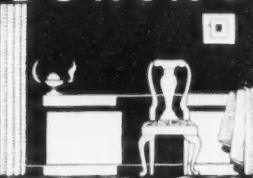
These are but a few of the unusual sights which offer, in South Africa, contrast to the pleasures of fine hotels, bathing beaches and the most up-to-date travel facilities. Truly a different, worthwhile holiday!

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SCHEMES AND ESTIMATES SUBMITTED FREE OF CHARGE

ABOUT THE HOUSE

BY BERNICE COFFEY

MANY an elderly house must have creaked with joy in every joist at the news that the government was making available loans up to \$2,000 for home improvement. Substantially built, good for years to come, many such houses are as outmoded for modern living as a hansom cab would be for modern transportation. It may seem absurd to speak of a house built as recently as ten to fifteen years ago as being a subject for improvement or change, but it is true in the light of a new and cultivated taste for authentic architectural design, startlingly swift development in mechanical household equipment, and a new determination that the amenities of life shall not be restricted within the limitations of a decade that has passed.

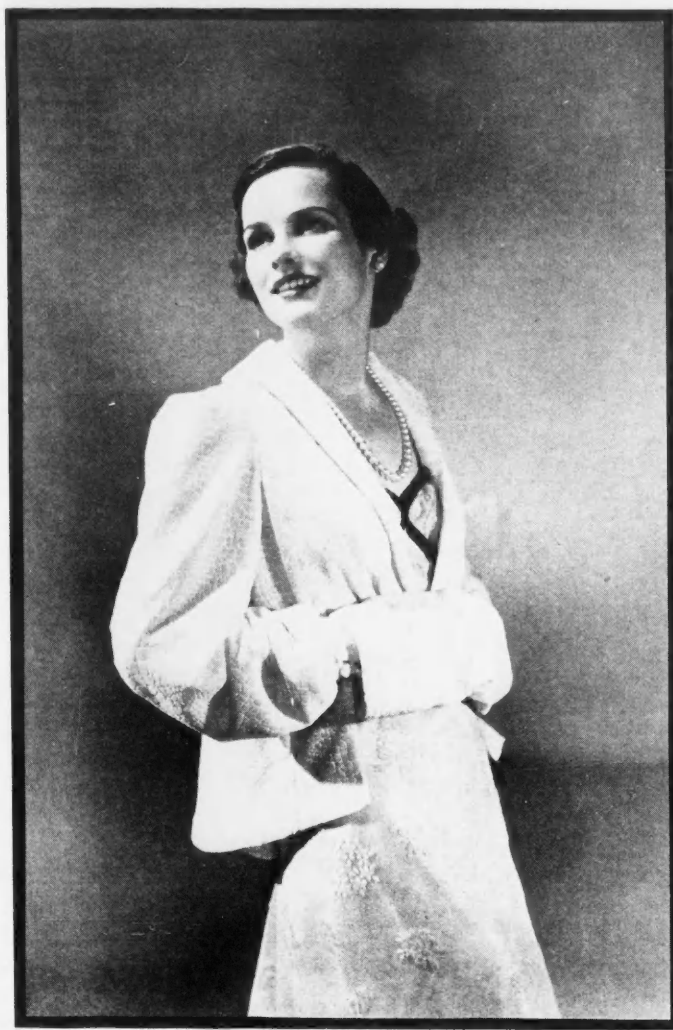
In a few words, the Home Improvement Plan is designed to make available loans to \$2,000 for the purpose of improvement. The latter word encompasses all changes and additions that are an intrinsic part of the house and its valuation as a property. This, of course, includes such things as redecoration of the interior, new wallpaper, linoleum that is cemented to the floor, and so on. So let's think about its possibilities.

In the hands of a skilled and resourceful architect, no house need be quite hopeless. Examples of successful face-lifting operations performed on house exteriors are not difficult to find in many localities. These have been effected, not by a major operation, but by the removal of meaningless doodads that neither add to the appearance or perform a useful function. Changing the line of the roof, removal of overhanging eaves, elimination of verandahs or porches, are favored means of modernization. The latter, in particular, overshadow and prevent light from reaching inside the house in a climate where the sun, when it shines, should be permitted to pour into every corner. The elimination of the back porch can be equally felicitous now that the trend is for the house to turn its back to the street. There are infinite possibilities for replacing it with a terrace, complete with electrical outlets, where you can stand potted plants, dine informally and invite your soul during the months of summer. Such a change would also have the effect of bringing the garden and its pleasant view into closer relationship with the indoors at all seasons.

HOUSES built in a more spacious age than our own, usually possess a vast expanse of attic space. It has many potentialities other than as a place for the storage of old magazines, furniture, disards and the overflow of the household debris. Made habitable and attractive by means of insulation, wallboard and linoleum floor, perhaps the addition of a dormer window or two for light and air, many of them have emerged from their Cinderella existences into charming game rooms. Built-in bunks in this room are useful in accommodating overnight guests. Or, if large enough and more rooms are needed, the attic could be divided into extra bedrooms, plus a bathroom. Then, too, a well-lighted attic is a wonderful spot for that most useful room—a sewing room.

Then there is the small house built in a more conventional day when every house had to have a separate dining and living-room, although it meant that both were small and cramped in size. Sometimes these are connected by an arch or wide door. If the wall dividing the two rooms is torn out, throwing the two rooms into one, a much more spacious effect is gained... and living-dining rooms are being accepted in many newly-built houses.

Does the family garage sit back in the corner of the garden like a little orphan Annie? When it does, most people regret the amount of space sacrificed from the garden, and lusty words are muttered when the long driveway to the street must be cleared of snow. Many of the new houses have garages located close to the street and as part of the house. The Home Improvement Loan makes



NEW LIGHT-WEIGHT ALLIGATOR Crystelle velvet jacket for cruise and Southern wear. Double panels in the front of the jacket make a muff.

it possible to rebuild the garage at the front, incorporating it into the design of the house. If another room is wanted, such as a sunroom or library, it might be built over the top of the garage.

Let's look at the living-room. Has it, for instance, a fireplace that is a constant offense to one's sense of the aesthetic, and does its grim brick face unconsciously refuse to become friends with any decorative scheme? A complete and drastic rebuilding and remodeling, such as covering it from top to bottom with mirror, would give new life and beauty to the room.

SINCE the loan is available for any improvement that becomes part of the house, new wallpaper and paint to brighten up dark rooms come under this heading. So does an air-conditioning and heat unit that presents the house with a scientifically balanced diet of moisture and heat. The moistness is as effective in preventing the furniture from drying out and falling apart as it is in keeping the members of the family from developing the sniffles in the over-dry air of the usual winter household.

Under the heading of Major Domestic Tragedy No. 1, comes a burst water pipe, as anyone who has undergone the petrifying experience is well aware. There is something so utterly demoralizing in the unaccustomed sight of water running wild as it gushes over floors, down stairs and through the ceiling that the most resourceful person becomes a picture of total inadequacy under the stress. If it has ever happened, make a note now that copper tubing throughout forms a life-time guarantee against such a happening... and go your way in peace of mind. The fact that it's flexible makes it possible for copper to replace iron piping without

the necessity of having plumbers overrunning the house for more than a few days.

Grace Notes for Houses: A downstairs washroom located, preferably, close to the entrance. Closets, also near the entrance, one for visitors' hats and coats, and another for the family's collection of gold-bags, tennis racquets, skates, skis, or what have you. A powder room, gay with color, adequate with mirrors. A separate bathroom and dressing room for the master bedroom, done by using space from an adjacent small bedroom, large closet or sloping roof. New bathroom fixtures in exchange for those that are out-of-date. A sound-proof study to which the quiet members of the family can retire when younger members have taken possession of the house. More, and better located, electric outlets in every room and dark corner.

THERE is the remedy of insulation, caulking around window and door frames and complete weather-stripping for the house that is subject to chills and drafts. Incidentally, there is a sound financial reason for looking into this, for not only does it make a more livable house, but it means a definite saving in heating costs.

If the kitchen is large, inconveniently laid out, and too scattered in arrangement, the modern method of planning in efficient units with "a place for everything and everything in its place," will be a welcome change for anyone who has had to cope with the older type. Divide its spaciousness off, and there probably will be room left over for a useful breakfast "nook." We wish we might think of a better word than "nook" which drips with coyness, but it closes us.

If the top-side of the house has arrived at the condition where you regard the roof with an I wonder how much longer it will last before it leaks expression, better get busy before it reaches the point where a heavy rain means spots of dampness on the underside. There are so many attractive looking roof materials with fire-resisting qualities that one might consider using the Home Improvement Loan for the purpose.

TRAVELERS

Mr. and Mrs. D. C. Durland have left for Florida, and will return to Toronto the middle of February.

Mr. and Mrs. Ross Gooderham have returned to Toronto after a six weeks' holiday in England.

Mrs. Herbert Sparling of Simcoe, Ont., has left for Florida for a few months.

Mr. W. M. Miller, of Toronto, has left for a cruise around the world and will return in the fall.

Colonel K. S. Torrance and Mr. R. L. Torrance, of Guelph, Ont., spent a few days in New York recently, where they were guests at the Biltmore Hotel.

Mr. and Mrs. J. E. Smallman, of London, Ont., are holidaying in Nassau. They are planning to buy a home there.

Mrs. Andrea Paton Robinson and Mrs. M. Walshe, "Rockmount," Sherbrooke, Que., have left for Nassau, where they will be the guests of Mrs. Robinson's sister, Lady Holt, of Montreal, at her winter residence in the Bahamas.

Mrs. Leonard Wooley, of Toronto, is making an extended visit with Dr. and Mrs. Lawrence Whittemore in New York and at St. James, Long Island.

Miss Jean Macpherson has returned to London, England, after spending a month at St. Moritz, accompanied by a party of girls from the different schools in England.

FORMER CRIPPLE NOW PLAYS TENNIS

Rheumatism in Feet Relieved

Here is a story of a young man who had almost given up hope of taking part in active sports with his fellows again. He tells how he tried one remedy after another and how finally a former sufferer put him on the way to recovery.

"Two years ago I started with pains in the feet which gradually got worse. I tried everything under the sun but to no effect. Whilst waiting for treatment one evening, another patient advised me to try Kruschen Salts. That was twelve months ago; the relief was not sudden, but the pain and swelling gradually left my feet, and in six months I amazed my friends by taking long walks into the country. This year I have played a good deal of tennis, a thing which I had begun to think I should never do again."—C.W.

Rheumatic pain and swelling is frequently caused by excess uric acid accumulating in the body. Kruschen contains two ingredients which are notable for their work in dissolving uric acid deposits. Other ingredients in Kruschen assist the internal organs to expel this dissolved acid from the system.

Colton Manor

ONE OF ATLANTIC CITY'S FINEST HOTELS
Pennsylvania Ave. • Paul Auchter Mgr.

WEEK-END SPECIAL As Low As \$10 PER PERSON (TWO IN ROOM)

Room, Bath, All Meals—Friday after Breakfast to Sunday Night—or Saturday to Monday Night

Weekly Rates as low as \$27.50 per person double



Action is what you need in taking hold of that cold before it takes hold of you. But few of us can afford to be laid up with a cold that endangers our health undiminished throughout the winter.

When you feel a cold coming on recognize it for what it really is—an internal infection requiring internal treatment.

GROVE'S BROMO QUININE attacks the cold at its source by doing the four necessary things in the prompt and effective treatment of a cold.

1. It opens the bowels gently but effectively.
2. It combats the cold germs and fever in the system.
3. It relieves the headache and "snuffy" feeling.
4. It tones up the system and helps fortify against further attacks.

When you feel a cold coming on go right to your drugstore and buy a box of GROVE'S BROMO QUININE. Make sure you get Grove's. Start taking the tablets two at a time. Taken in time, GROVE'S BROMO QUININE usually stops the cold within 24 hours.

This is the kind of action you want and get with GROVE'S BROMO QUININE. Grove's has been the standard of thousands in the treatment of colds for over forty years.

Grove's Laxative BROMO QUININE

Hotel Jefferson
KENTUCKY AVE. near BEACH
ATLANTIC CITY
WEEKLY FOR TWO
DELIGHTFUL ROOM, BATH AND MEALS.
\$50

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WEEKLY FOR TWO \$60 ROOM, BATH AND MEALS

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THE DUSKY GLEAM of silver fox is imprisoned in a luxurious hip-length cape. Joseph & Milton.

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Feb. 24 QUEEN MARY
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to Glasgow, Belfast and Liverpool

Feb. 5 LANCASTRIA

Feb. 19 ANDANIA

to Plymouth and London

Feb. 4 ANTONIA

Feb. 18 ALAUNIA

Feb. 25 AUSONIA

Mar. 4 AURANIA

to Cobh and Liverpool

Feb. 13 SAMARIA

Feb. 27 SCYTHIA

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Feb. 20 ALAUNIA

Feb. 27 AUSONIA

Mar. 6 AURANIA

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Feb. 7 LANCASTRIA

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THE BELLEVUE

BILTMORE BELLEAIR, Fla.

Frankly for the few... who can really appreciate the social prestige, the charm and atmosphere of this superb Gulf Coast resort. Magnificent facilities including:

- Two championship golf courses.
- Enormous swimming pool.
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- Tennis, riding, all land and water sports.

For information and reservations, apply to Travel Agents or Frank W. Ryan, Bellevue Hotel, Belleair, Florida.

All year, Garden City Hotel, Garden City, L.I., Summer, Hotel Champlain, Bluff Pt., N. Y.

WHY DOES A WOMAN CLOSE HER EYES

When She is Kissed?



(USE COUPON BELOW)

Psychologists say that she is an idealist and closes her eyes to "shut out the world of realities." Many women would also like to "shut out" the everyday reality of rough, red, coarse skin that housework and weather inflict upon them. And they could, by using the famous skin softener—ITALIAN BALM.

Here is a genuinely inexpensive preparation. Composed of 16 scientifically selected, scientifically pure ingredients. For over 40 years, the preferred skin protector of the women of Canada—and the fastest-selling preparation of its kind today in thousands of communities all over the continent. Non-sticky. Quick-drying. Approved by Good Housekeeping. Give Italian Balm a week's trial—at no expense. Send for a FREE Bottle.

Campana's Italian Balm
THE ORIGINAL SKIN SOFTENER

CAMPANA CORPORATION LTD., 14 Cabotville Rd., Dept. N., Toronto, Ont.

Gentlemen: I have never tried ITALIAN BALM. Please send me VANITY bottle FREE and postpaid.

Name _____

Address _____

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CONCERNING FOOD

BY CYNTHIA BROWN

IN THE interest of my profession—I can one profess Cookery, like Theosophy or Snake Charming?—I have lately been plowing my way through a book on coffee, "The Epic of a Commodity."

It is an immense book; one of the kind a brilliant reviewer recently described as the sort that once put down is practically impossible to take up again. The pages are as big as "The New Yorker" and there are 300 of them. It is a translation from the German and the style is about as spirited as Christmas afternoon.

Let to one say we do not take our art seriously.

Really the only attractive features of this savagely instructive work are the photographs of coffee bushes in flower. The leaves are heavy and shining and very like laurel, the starry white flowers like jasmine, or eight-petalled bouvardia. Our own theory of the introduction of the coffee plant from Abyssinia into Europe is that an early Ethiopian bride couldn't bear to throw her bouquet from the staircase but carried it away on the honeymoon, where, of course, it became a white elephant, so she threw it out the hotel window and it landed in the grounds of the Shehodet Monastery next door and took root. That explanation takes care of the only break in the history of coffee, and isn't much more difficult (for me) to believe than some of the other stories about it. That the Monastery goats ate coffee berries off the bushes and didn't sleep for five nights, for instance—which this epic's author presents as the next step in history.

Anyhow, the Arabs began roasting the kernels of the berries about 1400 and drinking a sedamental brew (and if sedamental is full of sediment why isn't sedamental full of sediment? It is critics like you who block the advance of civilization, so it is) which they called *Khauch*, and thus started a lot of trouble which we have inherited. The new drink was obviously a stimulant, ergo it was an intoxicant, and didn't the Koran forbid intoxicants to good Mohammedans? Besides, the thing was hard to make and infuriated the servants. You had to make it yourself to get it right. This led to the introduction of coffee machines, with which the host fiddled at the table, and was really the beginning of the end of domestic peace in Europe.

I can't use up my whole column telling you how the Turks brought sacks of coffee beans with them when they besieged Vienna and losing everything departed, having spilled the beans. The Viennese collected them and tried serving the drink without sediment and with honey and milk. To mark their victory over Islam they served Crescent rolls with the coffee, and that's what you get still in Vienna.

The Dutch ousted the Portuguese from Malaya and planted coffee, and the Dutch and the French got it going in South America and I forget how it developed into such an industry in Brazil that they now have great big bonfires of coffee that smell perfectly swell, but seem kind of wasteful, in order to get rid of surplus stock. And I bet you're glad I forgot. If writing this column has brought back a lot of sad memories of heavy literature to me, it is probably getting you down, too.

The best advice I can give you on making coffee is to shop around first for a blend of coffees that you personally happen to like. Simply ignore your family in this regard, it is utterly impossible as well as really unnecessary to please everybody. Then decide whether you are going to have your coffee look, taste, and smell like coffee every day, in which event you must make it yourself, or like China tea one day, and rat poison the next, which it will certainly do if you leave it to the servants.

I haven't the slightest idea why the most admirable servant in every other regard can not be depended on to make good coffee. The hours I've spent with such, dear heart, are no string of pearls to me. They are the most baffling and unproductive hours of my long domestic career. I cannot teach a servant to make coffee—not so the thing takes. Sometimes it takes two days, I once



A YOUNG AND ROMANTIC DRESS of Velganza is trimmed with braided bands of fuschia and purple chiffon released in a bustle effect at the waistline. An unusually beautiful neckline of real pearls and matching earrings is simple and effective. The short gloves of glacé kid are trimmed with narrow silver kid bands.

had a treasure who actually took three, but usually one day suffices for their complete recovery from the virus of my instructions. So I pour my weak fawn liquid one morning and the next help out the heavy black brew from the coffee pot by stirring it with a strong knife to loosen the thing up. And sometimes, as I assure myself now and then, it smells like coffee.

There are plenty of alleviating circumstances to induce you to take the first course advocated above, and make it personally. All the coffee machines on the market today seem definitely made for entertainment as

well as brewing coffee. You can plug in an electric cord and listen to the thing begin to hum and perk. You can drip it through sterilized papers or book muslin. You can watch it rise like a conjuring trick from one glass globe to another. Or you can boil it in a saucepan for five minutes and clear it with the shell of your breakfast egg. There is only one rule I find, myself, that you can't break and still have it good. A better and a graver food columnist than I put it with simple brevity. Just remember, he said, you've got to use a helluva lot of coffee.

DRESSING TABLE

BY ISABEL MORGAN

IT IS DIFFICULT to know which is more important—correct posture for an attractive appearance, for poise, grace and assurance, or correct posture for health. All are vital, and they depend on each other. The careless slouch of so many young figures and the exaggerated postures of mature figures not only look badly they are threatening health itself.

Elizabeth Arden has gone into the whole subject with her customary thoroughness. After all, the prettiest face is not enough to overcome the handicap of an ungraceful figure. In her salon at Simpson's in Toronto, classes are planned for the individual. The method used there permits each member to concentrate upon exercises designed to meet her own requirements. For the duration of the course, weight

charts are kept, measurements are taken and diets are supervised. That is why one loses weight—or gains it!

Besides creating correct posture, these classes are designed to give the figure perfect proportions. The correct distribution of weight is a primary feature, for weight has an undesirable tendency to go to one spot. Even in cases of very thin people, hips thicken, shoulders protrude and there are bulges where the line should be long and flowing. There is only one answer to these problems, and that is suitable corrective exercise. Other exercises for limbering the figure, create energy and that wide awake feeling so essential to well-being, as well as a new elasticity and lightness to the step.

One can have her lesson alone or with a group of from four to ten others who, also, are learning the type of movements suited to their special needs.

WE HEAR that southern resort shops have sprung up like mushrooms all over New York, and a visitor to that city sends the following news about what she saw in them:

Bright Prints—stronger and more decided than we have ever had before. These many-colored printed designs seem to cover everything in the shops from brief dressmaker bathing suits of wool or synthetic jersey to cotton beach robes, silk dresses and cotton shorts. There are three general varieties: the bright red, green, blue or gold backgrounds with contrasting colored patterns, the white backgrounds with vivid modern designs, and the bold patterned two-color prints—black and white or red and white. Evidently nothing is too striking.

Playsuits—the comfortable one-piece types with shirtwaist tops and pleated shorts seem to be more numerous than ever as active sports costumes. You can have them as formal as printed silk crepe or sharkskin and also as informal as printed and plain cottons. Slacks are offered as almost a necessity for a trip south, not for active sports but for general lounging about. They are paired with all kinds of jackets, from very short matching ones like bell-hop suits to loose shirt-like affairs and even tunic coats in contrasting colors.

Natural Color—a new favorite, in coats of natural alpaca wool, in dresses of rough silks, heavy linens and cottons. The dresses are often accented by belts, slide fasteners or edgings in some deep color like navy blue, wine, red or black.

Touches of Black—in startling black and white prints for pipie beach dresses, in black linen slacks and jacket suits, in black shirt and accessories for a biggie suit, in cire black jersey bathing suits to make you look like a seal, in big black straw beach hats.



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THE SOCIAL WORLD

BERNICE COFFEY, SOCIAL EDITOR

OTTAWA

SO BENIGN was the weather that greeted the opening of Parliament in Ottawa last week, a second glance at the calendar was necessary for assurance that the year was not yet at Spring, writes our Ottawa correspondent. The mild temperature added to the atmosphere of unreality that always gives the feeling of play-acting or the depicting of a fairy tale to the function for which women don evening dress at high noon and solemn business men blossom out in costumes glittering with gold braid or in vivid uniforms with clinking swords and spurs. There is surely no greater demonstration of British tenacious loyalty to ceremonial than this annual function on Parliament Hill.

The great clock in the Memorial Tower was just striking three when the Governor-General's Body Guard drew their horses to attention in the roadway and the cannon on the grassy slope barren of snow, at the side of parliament hill, fired the official nineteen shots to re-echo in the Gattineau Hills as the Vice-Royal party entered the main entrance of parliament buildings.

The roar of the cannon reached the great gathering of gorgeously gownned women and officials seated in the Senate chamber, the anti-chamber and on chairs crowded into the lobby, and the largest assembly in parliament buildings since 1927 ceased the chatter that had eased hours of waiting and rustled to attention.

Preceded by their honorary aides, aides-de-camp and field officer in waiting, whose slow ceremonial tread reverberated through the stone corridors, and followed by Prime Minister Mackenzie King and Senator Dandridge in court dress, their Excellencies entered the Senate chamber.

They passed down between the two facing rows of Senators and took their places before the throne, groups of uniformed officers at each side. In front of them were the Supreme Court judges in their medieval costumes of scarlet with rapes bordered in white standing beside the wood-cock.

His Excellency's scarlet coat and white plumed hat and Her Excellency's white and gold brocade gown were a relief to the dark curtains of the great chairs. Miss Beatrice Spencer Smith, Lady-in-Waiting, arranged Her Excellency's gold lace train, the two pages sat down on the throne step. Lord Tweedsmuir's command, "Please be seated," rang out clearly. Brocades rustled, swords clanked. Silence settled and the traditional proceedings began.

VISITORS gazing down from the galleries could appreciate in full the amazingly brilliant change from the ceremony last year when the House opened in sombre mourning for King George V. Crowded closely on the scarlet cushioned benches behind the Senators, were women in official circles gownned in every imaginable color and in gold and silver fabrics. Jewels caught the light from the high windows, feather fans and flowers added to the effect.

Seated in their place of precedence to the left of the Governor-General and his lady and before the diplomatic corps, His Honour, the Lieutenant-Governor of Ontario and Mrs. Herbert Bruce drew the attention of onlookers.

Mrs. Bruce, dark and slender, looked lovely in a svelte gown of both of silver, lengthening into a fish-shaped train. Six white pearls and a diamond ring. Next to her was the Minister of Finance with Madame Blaisure in softest gray. Madame Sotomayor Kato, diminutive wife of the Japanese Minister, in simply made but very effective coronation dress. Mrs. Norman Armour, wife of the Minister of the United States, enviable from an attack of flu, making her first official appearance, in some time in a striking gown of gold lace. Mrs. Henry Walcott Parham of New York, famous sculptress and sister of Baron Silvercruys, recently appointed Belgian Minister, in a smart black costume. Set off by the gold-braided official dress of the Ministers, this group stood out in brilliancy.

Bright blue in gown were the color choices of several women with gowns so effective they eclipsed those surrounding them. Lady Borden, whose husband took his place in precedence with former Prime Ministers and was seated for the first time ahead of other Privy councillors in accordance with a new ruling, was in jade green satin with diamond ornament she carried a feather fan matching her dress, a mode evidently returning to favor, for there were many such fans present. Mrs. J. H. King, wife of the Senator from Vancouver, wore a striking blue-green dress which showed her silver hair to perfection. Lady Perley also chose jade green satin fashioned with sleeves trimmed with silver fox, and Mrs. A. S. Redfern, wife of the Secretary to the Governor-General, watched the proceedings from the Government House box in the Senate Gallery in a classical gown of olive green chiffon.

Seated beside Mrs. Redfern was Miss Carola Peyton Jones, Lord Tweedsmuir's niece, a slim dark beauty in black with a filmy white flower on her shoulder. Near her, Their Excellencies' sons, the Hon. John Buchan and Hon. William Buchan, saw for the first time the opening of a Canadian Parliament in the color and with the splat usually associated with the occasion.

PERHAPS the most striking dress in the great company was that worn by Mrs. Denton Massey of Toronto. She made an effective entrance alone shortly before the proceedings began, the train of her bouffant coronation blue satin gown sweeping the crimson carpet. Her wide puffed sleeves were slashed and

lined with coronation red and she wore a coronation red coronet. Also in blue was Mrs. Earl Lawson, wife of a Toronto member of the Privy Council. Her gown, in softest powder blue and silver lace, had the unusual touch of fox tinted to match, edging the bolero jacket. Mrs. Charles Dunning, wife of the Minister of Finance, petite and slender, was in turquoise blue and silver lace.

Many women of long parliamentary experience, knowing them to be effective, chose white, silver or metallic fabrics. Mrs. W. D. Herridge, sister of the Rt. Hon. R. B. Bennett, always beautifully gownned, this time was in svelte white crepe. Mrs. T. A. Crerar, wife of the Minister of Mines and Resources, was in white chiffon with silver. Mrs. Drew Thompson, wife of the Gentleman Usher of the Black Rod, in oyster satin; Mrs. Newton Rowell, Toronto, in silver lace; Mrs. Arthur W. Roebuck, Toronto, wife of the Attorney-General of Ontario, in Vionnet model of silver lace.

The ceremony ran its course, the Commons standing behind the bar of the Senate listened to the speech from the throne, first delivered in English, then in French. Agnes Macphail, M.P., in tailored black with white accents, and Mrs. George Black, M.P., Yukon, in deep green afternoon dress, stood among their colleagues. Senator Cairine Wilson, in black with blue sleeves and vestee, and Senator Iva Fallis in blackberry lace of the daytime "working" order, were seated with the Senators.

SOON, it seemed, the speeches were over. Their Excellencies left. The Senate business session proceeded and the Speaker was solemnly reading the sad words of former King Edward's abdication speech when the guns on the hill again boomed nineteen times, their dull thunder emphasizing the accession of a new monarch.

When this, too, ended, the brilliantly clad crowd dispersed to re-

assemble in the corridors outside the apartments of the Speaker of the Senate where Mrs. W. H. Foster, dignified in black with pearls, received with her husband, and outside the quarters of the Speaker of the House of Commons where Madame Pierre Casgrain, chic in white with green, met the guests with her husband and her mother, Lady Forget, of Montreal.

Both crowded receptions were chatty and friendly. Beside buffets and over teas, officialdom and its wives discussed the past summer and, what is becoming more important, the coronation that lies ahead of the short session.

THE temperature dropped and a white carpet of snow fell during the day of the Drawing-room, so as each limousine drew up at the parliament buildings in the evening, the brilliant gowns and wraps of the women alighting under the lamps of the Senate portico made effective splashes of color against grey stone in a white and blue night.

So many arrived and the crowds collected in the dressing-rooms so early, it was soon realized that this Drawing-room would probably eclipse every previous one in numbers as well as in lavish display. Chairs lining the long stone corridors were occupied as well as those set in every other available space, hours before the function was to start.

Visitors fortunate enough to have special cards entitling them to see the "private entree" in the Senate chamber from the Senate gallery, sat for an hour watching the arrival of officers in the gala uniforms of the naval, military and air forces who chatted in groups on the vast expanse of crimson carpet. Their vivid scarlet, horizon grey, blue or multi-colored tartan with gold braid, gleaming epaulets and swords made them as gay a spectacle as any beautifully gownned women. Gradually they took their places, about one hundred at each side of the thrones

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Miss Hart first saw "Goldie"—he is a beautiful golden brown colour—while she was at school, and fell in love with him, despite the warning that he was practically unrideable. Today, due to her kindness and patience, he behaves like the old friend he is to the family. Strangers, however are well advised to bring him peace offerings of sugar or carrots.

"Golden Wish" won the Riley Shield again on October 25th of last year, doing the 6 miles in 14 min. 5 sec. He also won several prizes at the 1936 Seigney Club Horse Show and at other events around Montreal.

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ning gowns and the traditional three
white feathers and long tulle veils.

Presently the representatives of
foreign powers were joined by
groups of political, ecclesiastical,
governmental and consular digni-
taries in court and formal dress with
their similarly garbed wives and
daughters. The Gentleman of the
Black Rod called their names from
his list and the great assembly, who
now nearly filled the entire space be-
hind the crimson rope, took their
places according to precedence.

PRIME MINISTER Mackenzie King
arrived to stand near the door a
few minutes before Their Excellen-
cies' procession, headed by the hon-
orary aides-de-camp in uniform, en-
tered the room to the strains of the
National Anthem, played by the
Governor-General's Foot Guards
Band in the lobby.

Lady Tweedsmuir had chosen a
beautiful gown of gleaming blue and
silver hammered lamé with a blue
and silver train and diamond tiara.
She made a lovely picture standing
by the Governor-General in front of
the throne to receive the ladies of
the household who entered unan-
nounced to pay their respects.

First to enter was Mrs. A. S. Red-
fern, wife of the Governor-General's
secretary, in green and silver lamé
with a court train in two shades of
green chiffon that fell into graceful
folds as she curtsied. Quite evi-
dently a little nervous but interested
in everything was Miss Carola Peyton-
Jones, who made her curtsy to her
aunt and uncle after the ladies of the
household, in a picture frock of deli-
cate mauve taffeta with a train of
silver. Later she watched from the
Government House box with the
Vice-Regal entourage and her
cousins, the Hon. John Buchan in
highland dress and the Hon. William
Buchan who made their bows to
their parents late in the evening.

Led by Prime Minister Mackenzie
King, the company from behind the
barrier filed slowly down the soldier
lined aisle and bowed or curtsied as
Captain Redfern announced their
names. For three and a half hours,
Their Excellencies bowed as women
curtsied and men bowed first to one,
then a step and to the other.

NEARLY one hundred debutantes
were presented, each following
her mother or chaperone. Miss Dor-
othy Crerar, daughter of the Min-
ister of Mines, was the first of the
younger generation to make her
curtsy. Though she was a debutante
last year, this was her first Drawing-
room, and gown in silver and blue
she followed her mother who wore
gold lamé and a gold train.

Other daughters of cabinet min-
isters who had come out but who had
not been presented owing to last
year's court mourning were Miss
Odette Lapointe, daughter of the
Minister of Justice, and Miss Kaye
Dunning, daughter of the Minister
of Finance, who made her debut in
Toronto last year. She was in silver,
while her mother was in white with
a train lined with jade green, and a
green feather fan.

The first debutante to be present-
ed was petite Miss Dorothy Jane
Lawson of Toronto, daughter of Hon.
J. Earl Lawson. She had already
made one curtsy to Their Excellen-
cies at the reception after the
State dinner at Government House
the evening before the opening of
parliament, so was completely at
ease.

Mrs. Lawson chaperoned no less
than four Toronto debts: her daugh-
ter; pretty blonde Helen Gardiner,
daughter of Mr. and Mrs. Percy
Gardiner; Miss Suzanne Gaby and
Miss Catherine Gaby, daughters of
Mr. and Mrs. F. A. Gaby of Toronto,
who wore their coming out dresses
of white.

Other Toronto debts who kept up
the tradition of wearing their debu-
tante evening dresses as presenta-
tion gowns were Miss Margaret Mc-
Larty, daughter of Dr. and Mrs. G. A.
McLarty, who was presented by her
aunt, Mrs. Norman McLarty, wife of
the M.P. for Windsor; her friend, Miss
Sally Grass, daughter of Mr. and Mrs.
Robert Grass, and Miss Catherine
Wilkes, daughter of Mrs. Langdon
Wilkes, of Galt, who was with her
mother.



MR. AND MRS. JAMES P. MANION who were married recently at Tours,
France. The groom is the son of Hon. R. J. Manion and Mrs. Manion, of
Ottawa; and the bride was Miss Claire du Souliers, daughter of Vicomte
Victomess du Souliers of Tours. They have been spending their honeymoon
in Canada, and sail for France about the middle of January.
—Photo by Derry.



OPENING OF PARLIAMENT. His Excellency, Lord Tweedsmuir, at the
salute at the opening of the Dominion Parliament on Jan. 14.

TWO of the most effective shoulder
length trains seen during the
evening were of white taffeta ap-
plied with borders of white chiffon
velvet. They were worn by Miss Olive
and Miss Patricia Beauchesse, de-
b daughters of the Clerk of the House
and Mrs. Arthur Beauchesse. Both
girls were dressed alike in white
taffeta.

Twin deb daughters were presented
by Mrs. T. M. Mullins of Ottawa, and
so alike did they appear in their iden-
tical frocks of white taffeta with coral,
onlookers wondered if they could be-
lieve their eyes.

Among the out-of-town debts who
looked as attractive as only presenta-
tion debts can look were Miss Eliza-
beth Patterson, daughter of Dr. and
Mrs. N. Patterson of Fort William
and guest of Hon. C. D. and Mrs.
Howe; Miss Mary McGregor of Wind-
sor; Miss Grace Denmore, daughter
of Mr. and Mrs. L. Denmore of Bath-
urst, N.B., and Miss Patsy Bate of
Montreal, daughter of Mr. and Mrs.
Montagu Bate, who was the guest of
Mrs. Franklin Ahearn. Mrs. Daniel
J. Coffey of Toronto presented her
two deb daughters, Miss Ruth and
Miss Rita Coffey, and Mrs. John Law,
formerly of Toronto, now of Ottawa,
presented her deb daughter, Miss Peg-
gy Law.

Though veils and feathers were not
"de rigueur" but optional, there were
less than fifty women who appeared
without them. One woman ignored
the regulation that they should be
white and appeared with pale pink
feathers and veil to match her dress.
There were few trains longer than
was stipulated, but in excitement, or
for want of knowledge, several women
curtsied only once instead of twice.

Strains of music from the military
band in the corridor gave nerve to
the function, which lasted longer than
any held before. Many of the com-
pany remained to the end. After their
Excellencies left the remaining guests
went on to dances given by the reg-
iments or to the Drawing-Room Ball
at the Chateau Laurier, the most bril-
liant dance Ottawa has seen since the
days before anyone mentioned depres-
sion except as a geological term.

TORONTO

THE annual luncheon of the Toronto
Hunt Lucky Strike Bowling Club,
when prizes are awarded the victors, is
always a jolly event. This year the
setting at the Toronto Skating Club,
where the luncheon was held, was
especially charming as there were
many skaters on the ice taking tests
and practising for the coming Carnival.

At the head table were Mrs. E. P.
Beatty, honorary president; Mrs.
Blanche Sommerville, captain; Mrs.
F. H. Phippen, president of the gold
section of the Toronto Hunt; Mrs.
A. B. Cameron, president of the bow-
ling club; the committee, including
Mrs. H. T. Jamieson, Miss Helene
Fraser, Mrs. J. W. Nesbitt, Miss G.
Foulds, and Mrs. Campbell Meyers,
also Mrs. Stuart Playfair, Mrs. Under-
wood, Mrs. R. Merry, Mrs. Gordon
Cameron, Miss McWilliams, Mrs.
Sterling Deane, Miss Sutherland, Mrs.
Gordon Hoskin, Mrs. Robert Messervy,
Mrs. Aylmer, Mrs. C. E. Clark and
Mrs. Maynard.

THE Newman Ball, under the
sponsorship of the Undergraduate
Body of Newman Club, Toronto, will
be an interesting event on Wednesday,
February 3, at the King Edward
Hotel.

MONTREAL

HON. IAN A. MACKENZIE, Minister
of National Defence, was the guest
of honor at a dinner attended by more
than one hundred of the senior active
officers of Military District No. 4, held
in the Black Watch (Royal Highland
Regiment) of Canada Armory at
Montreal. Brigadier R. O. Alexander,
D.S.O., District Officer Commanding,
M. C. No. 1, presided, and among the
guests were Major-General E. C.
Ashton, C.B., C.M.G., V.D., Chief of
the General Staff; Air Commodore
G. M. Croil, A.F.C., Senior Air Officer
for Canada; Commodore P. W. Nelles,
Chief of the Naval Staff; and Lieut.
Colonel C. R. Scott, military secretary.

ENGAGEMENTS

QUEBEC

Tessier-Sanson—Mr. Yves Tessier,
son of the late Judge A. M. Tessier and
of Mrs. Tessier, and grandson of Judge
and Mrs. A. Tessier, of Quebec, and of
the late Sir Alexander and Lady
LaRoche, of Montreal, to Miss Crispin-
Sanson, daughter of Dr. and Mrs.
C. O. Sanson.

WINNIPEG

Ruth Walker—Dr. George H. Ryan,
son of Mr. and Mrs. A. E. Ryan, of
Rosser, Man., to Miss Mary Beatrice,
daughter of Mr. and Mrs. Edward
Blake Walker, and granddaughter of
the late Dr. and Mrs. Thomas Walker,
of Saint John, N.B.

CANMORE, ALTA.

Garnet MacDonald—Mr. Ernest Den-
iston, Garnet, son of Mr. Joseph
Garnet and the late Mrs. Garnet, of
Park Lane, Stockport, Eng., and Can-
more, Alta., to Miss Catherine Mac-
donald, of Willowdale, Mountview,
Eng., and Highfield, Scotland, daughter
of Mr. and Mrs. J. MacDonald.

MARRIAGES

SORRENTO, B.C.

Pope-Kinghorn—On Thursday, De-
cember 17, Mr. John Henry William
Taschereau Pope, eldest son of
Lieut.-Colonel E. W. Pope, C.M.G.,
of Victoria, B.C., and grandson of
the late Sir Joseph Pope and of Lady
Pope, of Ottawa, and Miss Mary
Freda St. George Kinghorn, daugh-
ter of Mr. and Mrs. James R. King-
horn, and granddaughter of the late
Mr. and Mrs. Percival W. St. George,
of Montreal.

MONTREAL

Carsley Davidson—On Tuesday, Jan-
uary 12, Mr. John William Carsley,
son of Mr. and Mrs. C. L. Carsley, and
Miss Alice Ida Davidson, daughter of
Mr. and Mrs. T. Reginald Davidson.

OTTAWA

Brophy-Palmer—On Saturday, Jan-
uary 9, Mr. John Purcell Brophy, son
of the late Mr. Arthur Brophy and Mrs.
Brophy, and Miss Vivian Palmer,
daughter of the late A. Z. Palmer and
of Mrs. Palmer.



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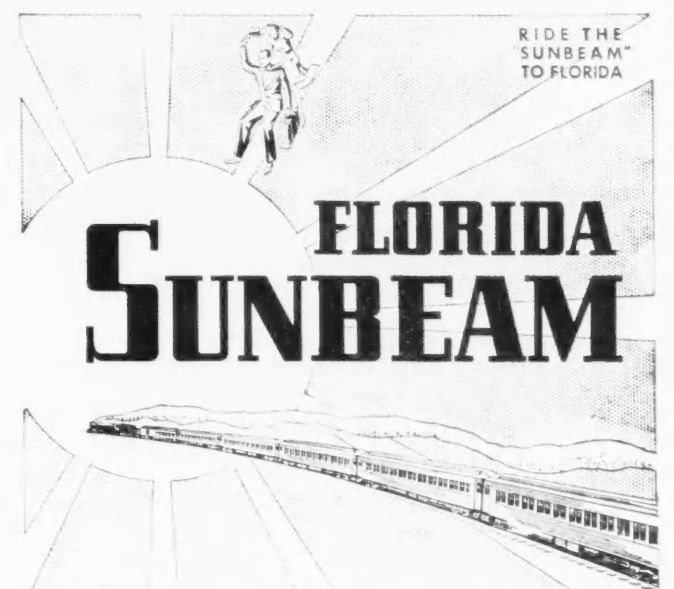
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TORONTO, CANADA, JANUARY 23, 1937

P. M. Richards,
Financial Editor

METHODS DIFFER

Contrast in Dealing With Municipal Defaults in Ontario and Quebec

BY ALBERT C. WAKEMAN

THE methods used respectively by Ontario and Quebec authorities in dealing with municipal bond defaults present a striking contrast. Municipalities of Quebec are being made to put their best foot forward and to act accordingly; in Ontario they are encouraged to paint their worst picture, and to evade part of their obligations. In Quebec it is payment in full, except in rare cases; in Ontario if there is default at all, it is to be a maximum interest rate of three per cent, if we can judge by the instance of Walkerville.

Thus is history being made in divergent directions in these two leading Provinces of Canada, Quebec holding to the most conservative lines, while Ontario veers to the attitude of hostility towards capital which is evident in the west. There is little effect for the present on the Ontario municipalities which continue to howl to the line and which are viewed as safe from chances of default in the near future. But there is going to be strict caution about any municipality which may seek to expand rapidly, and when another depression comes along, as it certainly will in time, there is likely to be a rapid liquidation of bonds of those which are in any way weak. The current experience serves definitely as notice that investors can expect their values to be cut down.

It is true that the default situation is much worse in Ontario than in Quebec. While at a recent date the number in default in Ontario was 42 and in Quebec it was no less than 60, this is accounted for in part by a difference in municipal organization in the two Provinces. In Ontario, the one municipal authority borrows for both general purposes and public schools (separate schools only being distinct). In Quebec the school borrowings come under a different authority. Of the Quebec total, 21 are school commissions—usually representing the same communities which are in default on their general municipal debts. Still more striking is the comparison in respect to money involved. In Ontario it reaches the very serious figure of \$97,000,000, or 19 per cent of the total municipal debt in the Province. In Quebec it is less than \$10,000,000, or 2 per cent of the municipal debt of that Province.

THE task of rehabilitation is no less difficult in one case than in the other. If strict administration was the right solution in Quebec, it was required ten-fold in Ontario. Has this been done? Far from it, according to the record, Quebec and Ontario have vied with one another in leading Canada out of depression, but in respect to their municipal affairs they have moved apart. The principal defaulted municipalities of Quebec were dependent on the paper industry, and the recovery of the latter during 1935-36 has been accompanied by a rapid straightening out of the affairs of the municipalities. Meanwhile the difficulties of paper towns in Ontario remain unsolved. The automobile industry recovered earlier than did the paper industry, but the affairs of Windsor continue a subject of controversy.

The contrast in results becomes striking when we look at specific cases. Here are a few from Ontario: The Windsor group went into default in 1932-33, though the town of Walkerville has maintained its interest payments in full; the others have not paid a dollar of interest or principal for several years, though millions have been collected for this purpose. A scheme of adjustment agreed on by some of the interested parties recently went before the Ontario Municipal Board, but was altered by the latter unfavorably to the bondholders. The Board proposes that interest rates for Walkerville, which paid its interest in full during the tough years of the depression, be cut to three per cent, while Windsor would also pay only three per cent, East Windsor 1 3/4 per cent, and Sandwich only 1 1/4 per cent.

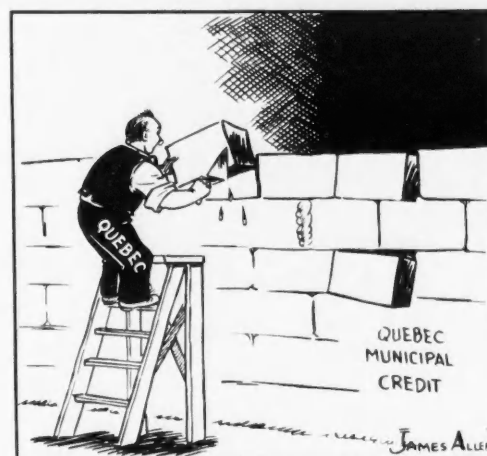
Most of the municipalities adjoining Toronto defaulted in the period 1932-34. Their combined population is about 175,000, or that of a large city. York Township alone has a debt of some \$15,000,000, while others run into several millions each. Some are maintaining interest payments at the rate of three per cent. Adjustment plans have been tentatively agreed upon in a few cases, providing for extension of principal maturities and for reasonable concessions in interest, but invariably these adjustments seem to be blocked before they become effective. The Ontario government has stressed its three per cent so persistently that any suggestion of a higher rate is promptly seized upon by local politicians as an unwarranted gift to the capitalists.

Outside of the Windsor and the Toronto suburban groups there are scattered but important defaults in Ontario—by the cities of Niagara Falls and Sudbury, the towns of Pembroke, Sturgeon Falls, Eastview, and various other places.

The whole process of adjustment in Ontario seems to be hung up by politics, red tape, and an attitude of hostility on the part of the government itself. Some bondholders themselves have counselled for delay on the ground that adjustments made in time of depression might be unduly hard on the creditors. This very delay, however, has induced laxity in financial administration, and a desire to reap the benefits of business recovery for the municipality and its property owners, while the existing creditors are ignored.

In contrast to this dark picture from Ontario is the established record of Quebec municipalities. Here we find every evidence of speed and efficiency, not evasion and dilly-dallying. There is a desire to pay

(Continued on Page 21)



SHOULD THE WALL BE LOWERED OR REBUILT?

WHEAT POLICY

Board's Selling Was the Only Sane Course—Good Prices Ahead

BY F. C. PICKWELL

Manager of Saturday Night's Winnipeg Bureau

THE Federal Government has at last been able to open a parliamentary session without the spectre of an uncontrollable wheat surplus lurking in the background. This change in the picture is due largely to two reasons: a more aggressive and businesslike national sales policy, and continued co-operation by nature in curtailing production in some of the main exporting countries. Month after month Canada has consistently kept selling wheat while avenues were open, without at any time seriously affecting prices on the world market—ranging from one to one dollar and a quarter per bushel.

The element of wholesale gambling, by holding government-controlled grain in the hope of getting a higher price eventually, has been eliminated. In that way it was possible to make essential Canadian sales before more strenuous competition in foreign trade channels from the Argentina and Australia became an important factor. Consequently there is now no reason to worry over the possible crop year-end surplus. The theory that our wheat could not be sold, even at a sacrifice, as claimed by some in recent years, has been exploded.

The wisdom of such a policy is borne out by renewed activity in Argentinian shipments this month. Short-cropped last year, that country may have about 140,000,000 bushels for export in 1937. Mr. George Broomhall sized up the outlook in this way on January 15:

"The lack of demand for Canadian wheat is becoming more apparent, and until the U.K. millers resume buying it may be difficult to maintain prices at present levels. After English millers have had the opportunity of testing the new Argentinian wheat, they will be able to determine their requirements of strong protein wheat for mixing, which may not be until late in February.

"It is reckoned that the surplus of wheat remaining in the Argentinian for export today is 139,000,000 bushels. Shipments this week total 5,711,000, of which 4,232,000 went to orders. During the last six years, 1936 to 1931 inclusive, the Argentinian and

(Continued on Page 24)

BABSON SPEAKS

But How Far is His Glowing Prediction Regarding 1937 Progress Justified?

BY J. H. SIMPSON

MR. ROGER BABSON has come out with the most glowing of all the Happy New Years. It is a pretty general chorus, few financial prognosticators being inclined to predict any let-down in the recovery movement of 1936. But Mr. Babson seems to be the most optimistic of all. He is not content with the "momentum" theory—the theory that 1937 will be a good year because of the very promising last quarter of 1936. Instead he believes that we are going to experience "real prosperity." The first "real prosperity" since 1929. This, by the way, is rather an unfortunate way of putting it because I thought we had all agreed that 1929 was *not* a real prosperity.

Mr. Babson further observes that the Babson-chart index of general business indicates that we are now "right square on normal." He thinks that general business in the first half of 1937 will run 10 per cent ahead of 1936 and that the second half will run 5 per cent ahead—the lessened increase being due, of course, to the exceptional activity which featured the last-mentioned period. Mr. Babson's only fear, apparently, is that we are not honest, industrious, thrifty and faithful enough to deserve continued prosperity and he closes his January 4 release with the statement that lasting prosperity only comes through the practice of these and other basic virtues.

It is not my intention to cavil at these predictions. Anyone is entitled to predict—in fact around the first of January predictions are practically forced on one. But I cannot but think that in the general chorus of self-satisfaction and hope which we have been listening to for the past few weeks, some of the more sombre notes have been consistently soft-pedalled and at the risk of being considered a kill-joy I submit that we should realize that these notes really are in the chorus and that we're not getting the whole effect if we ignore them.

And yet these sombre notes are so well known that it is unnecessary to mention them. Unemployment, continued unbalanced budgets, in Canada the perennial railway problem, uncertain export markets, possible war in Europe, fear of inflation . . . the same old bugaboos. It is unnecessary to enlarge on them. There are, however, one or two sombre notes that have been even more completely obscured and if you will bear with me I would like to emphasize these.

One of them is this: the American forecasters appear to have forgotten entirely the importance of world-trade. The United States seems to have succeeded in convincing itself that it can "go it alone." Now as a matter of fact the only reason the United States has gone it alone as well as it has in the past year or two is the government's easy spending program, combined with the reduction in the gold content of the dollar. The extraordinary Roosevelt Government has hoisted the country out of depression by its own bootstraps and for that too much credit cannot be given it.

BUT in the last analysis it is a poor substitute for normal trade. The increase in the Federal debt from \$30.5 billions to \$34.4 billions, in 1936, has taken up the slack. It has, as Mr. Walter Lippmann has pointed out, created a war-time like purchasing power on the part of millions of non-producers. That condition cannot last for ever, any more than a war can last for ever. The optimists, of course, hold that it is not necessary to have it last much longer—that normal business, normal purchasing power, will replace Governmental purchasing power and achieve a balanced budget. The whole theory remains to be proved.

Another sour note—in the United States—is the necessity for higher taxes, superimposed on which higher taxes will be the Social Security assessments. Coming at a time when private purchasing power is supposed to replace Governmentally-induced purchasing power, such taxation is not going to be easy to bear, particularly when it is realized that the dividends of the last quarter of 1936—declared in order to avoid the new tax on surpluses—may make the record of that happy quarter difficult of repetition.

But the most vital thing to remember is that Mr. Babson is wrong when he talks about things being right square on normal and about our crossing the normal line and "heading into another period of

(Continued on Page 19)



PROBABLY the most serious immediate threat to Canada's well-being lies in the state of prairie provincial finances. The governments of Saskatchewan and Manitoba are in desperate plight financially and there appears to be more than a possibility that they will soon announce that they are forced to reduce interest rates on their bonds, as Alberta has done already. Such a step would do much harm to Canada, and to the West particularly. It would increase doubt in the substance of recovery in this country and give the West a black eye that might take a generation to disappear. Such action amounts to confiscation of capital. Alberta will never know how much capital, old and new, her repudiation has cost her.

2 2 2

SURELY this would be an excellent time to revive the Dominion Loan Council plan and permit needy provinces to refund their obligations at low interest rates by means of a Dominion guarantee, with the provinces accepting a measure of Dominion supervision over their finances. The latter was the rock that wrecked the scheme when first presented, the provinces claiming it would mean loss of autonomy, but surely it would be possible to satisfy them on that point. The situation is much more serious now; too serious to allow provincial pride to be responsible for the killing of a workable scheme. The Dominion's credit is still A1, and must be kept so. Under the circumstances, it might well be that the taking on of such contingent liabilities would be the best way to preserve it.

2 2 2

IT APPEARS that Ontario Hydro's cancellation of Quebec power contracts in December, 1935, may work out to the advantage of Quebec, and the disadvantage of Ontario, in a way that certainly was not foreseen when that step was taken. The effect was, of course, to leave Quebec with a good deal of surplus power. This was a sad state of affairs for a time, but now is beginning to look otherwise. The availability of abundant, reasonably-priced power is a decided attraction to new industries, and Quebec power companies believe it will result in many of them locating in the province in the next few years. Conversely, it is said Ontario's attraction as a location for industry has diminished. Though Ontario may have a sufficiency of power, as Premier Hepburn says it has, it certainly has little power in reserve, and new industries like to see an ample supply of power available for future growth.

2 2 2

THE capitalistic system will rise or fall depending on its ability to prevent speculative booms and resulting depressions, said Morris W. Wilson, president of the Royal Bank of Canada, at the annual meeting of shareholders last week. But surely the obligation of preventing booms and depressions cannot properly be placed on the capitalistic system, in view of the fact that governmental policies—for example, those of the Roosevelt administration during the last four years—can do much to influence the course of business. If an inflationary boom is ahead in the U.S., shouldn't the government, with its methods of deficit-financing and its huge expenditures for relief and "pump-priming", bear at least a large part of the responsibility? Anyway, the capitalistic system, particularly in the U.S., is today operating under burdens and limitations that are fundamentally opposed to successful operation of the system. Is it fair, then, to place all the blame on capitalism if it doesn't work out just as we would like? Popular opinion makes government policies, and perhaps it is the people themselves who are really responsible for booms and depressions.

2 2 2

IN THIS connection read the article "Babson Speaks" on this page. The author points out that though business is so much better, there are so many things wrong with the fundamentals of business that Roger Babson is certainly not justified in saying we are rather the United States) are now "right square on normal". He (the author) points to various serious abnormalities commonly "played down" by the optimists, and says that though predictions for a prosperous 1937 may be correct, real prosperity is still a long way off. The reader will recognize that these abnormalities are in large measure the product of governmental attempts to promote domestic recovery, and cannot be ascribed to the operation of the capitalistic system.

2 2 2

SO FAR employment at the Canadian plants of General Motors has not been seriously affected by the big strike across the border, though production has had to be concentrated on trucks rather than passenger cars because of a shortage of body stampings for the latter. However, Canadian plants may have to close down soon if the strike continues. Though the effect on business generally would, of course, be a good deal less serious than in the States, the average monthly employment in Canadian automobile plants last year was 15,230, and the figure for parts manufacturers was slightly higher. Canadian automobile manufacturers alone paid \$22,111,000 in wages and salaries last year. A pay-out on this scale, if withheld for any length of time, is certainly big enough to affect general business conditions.

BUSINESS AND MARKET FORECAST

BY HARUSPEX

A WARNING TO INVESTORS AND SPECULATORS. This column for emphasis this week departs from its usual make-up. The reason for this is the unusual market development which you will find pictured on our price graph. However, first let us point out that the market is running along with hugely increased volume which of late has amounted to 3,000,000 or more shares daily. Excited, feverish trading characterizes not only the New York but the Canadian stock markets as well. Again on Thursday, January 14, when trading volume amounted to 3,259,410 shares, thirteen out of the fifteen most active stocks on the New York market sold for \$20 per share or less. The foregoing, however, is completely subordinated to a more significant factor to which your attention has been directed for several weeks. The Dow-Jones averages made a bull market peak as follows:

INDUSTRIALS, NOVEMBER 17, 1936—184.90
RAILS, OCTOBER 14, 1936—59.89

This was after a huge market rise running from March 1935 with a relatively small correction in April 1936. Since then the divergent trend that developed, Industrials up, Rails down, has not been straightened out, and until the Rails go up through 59.89, the Intermediate Trend is indeterminate.

Without further enumerating good reasons for caution at the present time, the market, now that the Industrials have bettered their November 17 high, may have enough steam behind it to attempt to put the Rail averages through their October 14 high of 59.89. If this is accomplished, it would indicate higher prices but not a good reason for immediately leaping into (Continued on Page 22)

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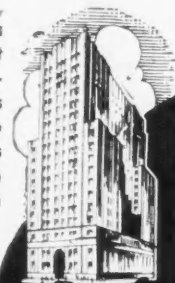
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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast appearing on the first page of this section.

THOMPSON CADILLAC

Editor, Gold & Dross:

Would you kindly advise me as to the prospects of Thompson Cadillac Mines? Has this mine a mill in operation, and what quantity and grade of ore have they in view? Is an authorized stock issued and what cash at present on hand?

—C. E. H., Montreal, Que.

Thompson Cadillac Mining Corporation is capitalized at 3,000,000 shares and I understand are nearly all issued. The block of 1,367,213 shares, which took care of the liabilities of the former company, were released from escrow in November.

The property, comprising 740 acres in Cadillac Township, Quebec, has been in production for about eight months. The latest production figures available are for November, when output had a value of slightly over \$13,000 from 2,178 tons, or 72 tons daily. Millheads were \$6.55. Half of the production was concentrates, running two ounces of gold to the ton, which is being stored. Daily tonnage is being stepped up to 100 and millheads are reported to have since shown some improvement.

High grade was encountered early last month in drifting on the 600-foot or bottom level and this was important as it indicated the downward extension of the high grade on 150-foot level had been reached. Two good ore shoots are being stoped on the first level. If rich ore continues upward it will have an important bearing on the future of the mine.

Much interest has been attracted to Thompson Cadillac, on account of the fact that it adjoins O'Brien Gold Mines on the east. Recent developments stated to have no relation to the O'Brien main ore shoot, which is about a mile away. The ore developments at the O'Brien are all close to its shaft, which is located in the centre of the property. The Thompson Cadillac, however, has the west extension of the same fracture system as O'Brien and favorable developments to the west would go a long way towards establishing the property as a profitable producer.

BREWING CORP., CANADA BUD

Editor, Gold & Dross:

Will you kindly give me your advice as to whether I should hold or sell Canadian Industrial Alcohol, Canada Bud common and Brewing Corporation common? Their prices have been going down ever since I bought. Canada Bud is the only one I have been getting any return on.

—A. B. H., Marmora, Ont.

I would suggest that you retain Canadian Industrial Alcohol "A" and your Canada Bud.

I cannot see much hope for the common stock of Brewing Corporation and think you might as well sell this. Brewing Corporation has not even been able to cover distribution on its preferred stock at the half rate of \$1.50 it has been paying, and there appears to be no present possibility that it can establish earning power sufficient to cover the \$3.00 preferred dividend, much less to make any distribution on the common stock.

Canada Bud has been coming along very well, and the dividend distribution has been satisfactory. The company, an independent, has apparently been able to establish itself satisfactorily in the highly competitive brewing industry in Ontario, and I see no reason why it should not be able to maintain that position.

Canadian Industrial Alcohol has been making satisfactory progress. It has been meeting with success in disposing of its stocks of Canadian whiskey. It has recently arranged to retire the Robert McNish debentures and is making, as well, distribution of shares of Old Tyme Distillers, an American company, to its shareholders. In my opinion the stock is well worth retaining.

ROBERT MITCHELL

Editor, Gold & Dross:

I am the holder of some of the common stock of the Robert Mitchell company and the action of this stock lately has made me curious. I see that it has sold up to 27 which compares with a figure (if I am right) of somewhere around 9 last year. Naturally I am pleased as the stock cost me less than the present figure and I would like to know what I should do. I am not particularly interested in taking the profit currently available to me if there is any chance of the company staging a real comeback. Can you tell me anything about what has been happening during the past year or so and give me any idea as to whether or not it might be worth while to hang on?

—P. L. T., Saint John, N. B.

I think that it would. While no figures have been issued, it is well known that business with the Robert Mitchell Company has been greatly improved during 1936 and it is believed that the report will show the company out of the red for the first time since 1931. Optimists go so far as to predict substantial earnings but in the absence of official confirmation this is mere guesswork; the fact is that the report should make definitely encouraging reading. In addition, the outlook for 1937 orders is the brightest since the beginning of the depression.

Robert Mitchell, with the approval of its shareholders, put its financial house in order in November of last year, writing down the value of its fixed assets and of its capital stock and eliminating profit and loss deficit. Book value of the 70,000 shares of no par value capital stock was reduced by \$713,714 and fixed assets by \$755,767 and certain other adjustments made. The revised balance sheet shows total current assets of \$283,021, including cash of \$53,071, against total current liabilities of \$68,764. Bank loans, which at the close of the 1935 fiscal year had stood at \$110,000 were shown in the revised balance sheet at \$20,000 as of August 31. In 1935 the company reported a net deficit of \$49,991 which was an improvement over the deficit of \$112,346 for 1934, of \$147,239 for 1933 and of \$296,099 in 1932. In 1931 the company earned \$60,725 or the equivalent of 87 cents a share on the capital stock and in 1930, \$143,188 or the equivalent of \$2.04, both figures being before income tax provision.

One chief reason for the company's 1936 earnings improvement was the adoption of air conditioning on the sleeping cars of Canadian railways, for which installations the company supplied equipment. There is no doubt but that this practice will be generally

adopted which should continue to provide business. In addition it is well known that the railways have in hand at the moment, the ordering of considerable new equipment, which augurs well for Mitchell's 1937 output. The company has shown initiative in developing new products both for railway and industrial use and for these new markets should rapidly develop. The anticipated upturn in the building field may have an important effect, as well, on the company's architectural division.

The forthcoming 1936 report should do a great deal to clarify the company's position and outlook but in the meantime it would appear that the lean years had drawn to an end and that important profits, if not already achieved, were in sight. The capital stock is fairly closely held and the floating supply is subject to quite wide swings on the market. It is my opinion, however, that those who continue to hold the stock should eventually be amply rewarded.

COULSON CONSOLIDATED

Editor, Gold & Dross:

Kindly give me your views on the Coulson Consolidated Gold Mines. I have followed your advice in the past, have benefited by it and will abide by it in this case.

—A. O. D., Halifax, N.S.

Coulson Consolidated Gold Mines, developing a property near Matheson, Ontario, is reported to be meeting with encouraging results in underground work. The No. 3 vein, only two to three inches wide on surface, widened out to 18 inches on the 160 foot level and was 30 inches wide where cut on the 300-foot level. Assays on the No. 3 vein were over \$14 and another vein gave assays as high as \$82. Drifting on the 550-foot level has disclosed commercial values. A winze is being sunk to the 800-foot level and diamond drilling is also underway from a depth of 550 feet. Toronto interests are financing the company but further development is necessary to determine its possibilities.

DOW-JONES AVERAGES

Editor, Gold & Dross:

Will you kindly advise me where I can obtain Dow-Jones averages of industrials and steels on a graph for the past ten to twenty years? I am also interested to know if the mining index follows the industrials and steels in its upward and downward curve.

—R. C., Belleville, Ont.

You can obtain graphic charts of the Dow-Jones daily stock averages and sales from Mr. Robert Rhea, Colorado Springs, Col. They cover the period from 1897 to 1936 and give the rallies and declines during each year, and are invaluable for anyone who cares to make a study of the market under the Dow theory. I think the price is \$12.50.

I notice that you inquire if the mining index, by which I presume you mean the average prices of Canadian mining stocks, follows the industrials and rails in their upward and downward curve. In a general way they do, but not dependably enough to permit the use of our Business and Market Forecast as a guide to the purchase and sale of mining stocks.

Incidentally your letter refers to the Dow-Jones average of industrials and "steels". I assume you mean "rails". There are no Dow-Jones averages for steel stocks.

ATHONA MINES

Editor, Gold & Dross:

Would you please give me up-to-date information on Athona Mines, which is now quoted by the unlisted brokers around 30 cents? I have a considerable number of shares.

—N. T. R., Tillsonburg, Ont.

Athona Mines is one of the pioneer properties in the Lake Athabasca region of the northwest territories. They have two groups of claims and the Lucky-Willy is now under development with encouraging results. Development of the first level, particularly at the No. 1 shaft, has indicated a tonnage of 580,000 tons. While values are low, around \$4, the values occur across a big width. Athona Mines owns 1,000,000 shares of Goldcrest Mines, with a property adjoining the Okland in the Little Long Lac area, and along with Goldcrest and Greenlee Mines, shares equally in the acquisition and staking of some 80 claims at Norite Bay, Lake Athabasca, where what appear to be important new gold discoveries have been made. The new finds are about 80 miles from Goldfields, where Athona's property is located. Men and supplies have been flown in to expedite the exploration of the various veins found in the new area.

POTPOURRI

A. B., London, Ont. The 6½ per cent income bonds of DOMINION STEEL AND COAL cannot be placed in the highest investment category. The agent who is endeavoring to sell you these bonds has no authority for his statement that the bonds will be paying the full 6½ per cent in one or two years' time. While this is possible, nevertheless it would call for a large increase in the company's income, and currently there are no indications of such a large gain in output, or increase in earnings. You are aware that the bonds currently are paying 3½ per cent, two payments of 1½ per cent having been made semi-annually. 1936 figures are naturally not yet available, but it has been estimated that this company should show only a moderate gain over 1935. I consider it altogether probable that interest payments will be maintained at the 3½ per cent rate, but that future distributions will be guided directly by earnings. A much better idea of the calibre of the bonds and their prospective earning power will be available when the 1936 report is published.

A. H., Brockville, Ont. McMILLAN GOLD MINES is an interesting prospect. Officials report that mining and milling results are satisfactory. Mill heads in the last half of December averaged \$12 with costs around \$5. Some high grade ore was opened up on the seventh level and the stope on the fifth level is stated to be in exceptionally good ore.

D. W., Lucknow, Ont. The outlook for the PHILADELPHIA AND READING COAL AND IRON COMPANY'S 6 per cent bonds, due 1949, is not very good. These bonds (which are listed on the New York Stock Exchange) are currently selling around 24. That means, of course, \$24 for each \$100 of par value, or \$240 for a \$1,000 bond. With the largest reserves of any company in the Pennsylvania anthracite field, sufficient to supply

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DIVIDEND No. 198

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January, 1937.

By order of the Board,
S. G. DOBSON,
General Manager,
Montreal, Que., January 15th, 1937.

SIMPSON'S, LIMITED

Preference Dividend No. 21

NOTICE is hereby given that a Dividend of One Dollar per share on the outstanding paid up six and one-half per cent Cumulative Preference Shares of the Company has been declared payable on February 1, 1937, to shareholders of record at the close of business on January 25, 1937. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, January 16, 1937.

Loblaws Groceries Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1937, payable on the 1st day of March, 1937, to shareholders of record at the close of business on the 12th day of February, 1937. Payment will be made in Canadian Funds.

D. URQUHART,
Secretary.

Toronto, January 12th, 1937.

McIntyre Porcupine Mines
LIMITED

(No Personal Liability)
DIVIDEND No. 73

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York funds on March 1, 1937, to shareholders of record at the close of business on February 1, 1937.

By order of the Board,
BALMER NEILLY,
Treasurer,
Dated at Toronto, January 15, 1937.

STEWART-ABATE

Reporting total footage of 1902 ft. during 1936 operations, Stewart-Abate Gold Mines Ltd., Matheson, Ont., state that drilling is continuing, tapping the formation at depth at intervals along the line of strike of No. 1 and other veins, after which it is the intention to erect a shaft house, install a mining plant, dewater the shaft, and proceed with underground work. Total of 22 samples were sent in for analysis up to Dec. 31 which gave an average value per ton of \$32.02. Samples were taken at intervals over a distance of approximately 470 feet at depth by medium of diamond drill.

GOLD & DROSS

its 13,000,000 ton capacity for more than 200 years. Philadelphia and Reading has never before seen sales and earnings trending downward over a long period. As a result of comparatively high production costs, operating results of the company have been less favorable than those of the trade as a whole. Recognizing this handicap, the company some years ago began remodelling its plant and has adopted more aggressive merchandising policies. For the 12 months ended Sept. 30, 1936, the company reported a loss of \$3,877,000 after providing for interest, depreciation and depletion charges. Even so, the net loss for the year was just about \$2,000,000 less than for the preceding year. While improved conditions in general business and greater consumption of coal by industries may improve earnings over the next year or so, there seems no present prospect for any very substantial increase in earnings.

B. N., Toronto, Ont. LAKE MARON GOLD MINES has been merged with three other companies into MARALGO MINES LIMITED, and shareholders will receive one share for each four held. The new company will own 66 claims in the Little Long Lac area and has a good treasury position, so it might be worth your while to ride along with the new company.

M. A., Greenhurst, Ont. MONARCH MORTGAGE AND INVESTMENT LIMITED, which has outstanding 47,245 8 per cent cumulative preferred shares of \$10 par value, and 100,000 shares of no par value common stock, reported for the year ended December 31, 1935, a net loss of \$272.99 against a net profit of \$933.00 in 1934. This company, which engages chiefly in a second mortgage business, has naturally had an exceedingly difficult time in recent years, owing to depression conditions, and as well to various moratorium legislation enacted by the Government. No dividends have been paid on the preferred stock since 1932, and none on the common since 1931. No interim information has been made available as to 1936 operations, and the annual report is not yet available. I would be inclined to assume that a certain amount of improvement should have taken place, and that the company should do better from now on.

M. D. C., Toronto, Ont. While ALGOMA SUMMIT GOLD MINE officials are quite enthusiastic concerning the outlook, it is difficult to advise you as to the merit of the property until the ore position is more clearly defined. I have no information regarding the extent and grade of the ore body. A 500-ton mill is being installed and the intention is to mine by the open cut method.

J. C., Hamilton, Ont. UNITED CORPORATIONS LIMITED is an investment trust which is a successor to Consolidated Investment Corporation of Canada, one of the larger Holt-Gundy investment trusts, formed in February, 1929. As a result of bond interest default, the company was reorganized under the present name in April, 1933. Improvement in security prices and in general conditions over the past few years has considerably strengthened the company's position. The company has been able to maintain regular 5 per cent interest on the cumulative income bonds, issued in partial exchange for former securities, and the declaration of a dividend of 75 cents per share on the \$150 cumulative "A" stock, payable February 15 next, will reduce arrears on this stock to \$3 a share. The payment indicates a marked improvement in the position of this management investment trust.

E. H. K., Ingersoll, Ont. I understand that APTON MINES has sufficient money on hand to carry out the preliminary exploration of its properties in Malarctic and Trecessor townships, Quebec, but not enough to carry out their development if results warrant it. Financing of the properties will likely be carried out separately.

M. J., Erin, Ont. Yes, I think you can buy MASSEY-HARRIS 5 per cent bonds, due 1947, with reasonable confidence. Sales of the company, which is the largest Canadian implement manufacturer, were 30 per cent higher in the year ending November 30, 1936, than in the preceding year. The annual report is not yet available, but there seems reason to hope for a substantial increase in operating profits and there is a possibility that the company will be "out of the red" for the first time since 1929. Offsetting the poor crops in Western Canada, were better yields and prices in export markets, and 90 per cent of the sales increase experienced by the company last year was obtained abroad.

E. H., Huntsville, Ont. PEND OREILLE MINES AND METALS owns a lead and zinc property in the State of Washington. Production was resumed last January after being idle nearly two years. The company is capitalized at 3,000,000 shares \$1 par, of which 1,587,308 are issued. In view of the improved demand and price for the company's products the shares appear to still hold interesting speculative possibilities.

R. S. M., Montreal, Que. I think you would be warranted in retaining your "A" and "B" preferred of TRADERS FINANCE CORPORATION. The income rights which you presumably received in lieu of preferred arrearages, are currently quoted at \$10, and the 7 per cent preferred at \$5. In July of 1935, the company changed its capital set-up, eliminating preferred dividend arrearages and reducing the dividend rate on the former 8 per cent to 7 per cent, no change being made in the

amount of stock outstanding. In settlement of the arrearages, the series "A" preferred received income rights having a face value of \$24.50 and the series "B" received series "B" rights with a face value of \$28.00. Dividends are being paid, as you doubtless know, on both issues of the preferred, distribution having been inaugurated in September of 1935. This company, which is a finance company, handles chiefly notes issued in connection with the instalment sale of Ford motor cars, enjoyed a notable upturn in 1935. In that year total income rose to \$1,029,556 against \$635,835 in 1934, and \$411,035 in 1933. In 1935 earnings were equivalent to \$15.30 per share on the "A" preferred, and \$19.65 on the "B" preferred. The annual report for 1936 is, of course, not yet available, but having regard to the excellent volume of Ford business achieved during the year, I think it is quite reasonable to assume at least as good a showing last year as in 1935.

P. J., Jarvis, Ont. Little information can be offered you on the UPPER SEINE GOLD SYNDICATE until further work is carried out. This property, which was formerly known as the Sawbill Mine, is located in the Itany River district of Ontario. Once the old shaft is recollared, a new headframe erected and the underground workings dewatered, a thorough examination will be made of the previous work.

K. W., Hamilton, Ont. The 7 per cent preferred stock of the MONARCH KNITTING COMPANY LIMITED can hardly be placed in the "safe investment" classification as the current yield of 8.28 per cent indicates. The company's earnings record has been somewhat erratic, the low point in the depression being reached in 1930 in which year there was a deficit of \$12.62 on the preferred. In 1931, \$2.12 was earned; in 1932, \$1.62; in 1933, \$9.30; in 1934, \$11.47, but in 1935 there was a decline to \$8.35. It was officially explained that this decline was due to higher taxation and greater competition, which occurred in the face of an increased volume of business for the company. The situation with regard to the preferred is made additionally interesting by the existence of dividend arrears totalling \$49 per preferred share. It would seem likely that some compromise will eventually have to be worked out as regards this accumulation. Net working capital amounted to \$822,223 at the end of 1935.

L. D. R., Walkerville, Ont. It was stated officially recently that milling operations were proceeding satisfactorily at HUDSON PATRICIA GOLD MINES and better extraction is being obtained. A diamond drilling program from underground has been started but I have not yet heard what results are being met with. BRETT-TRETHEWEY holds some attraction as a speculation in the "penny" stocks, I think.

V. R., Toronto, Ont. The capital stock of the TRUSTS & GUARANTEE COMPANY is currently quoted at \$2. In 1935 the dividend rate on the capital stock was 3 per cent and on January 1 of last year, \$1.50 was disbursed, thus continuing the same rate. On July 1, however, \$1 was paid, making total 1936 distribution \$2.50. The January 2nd, 1937 payment is \$1, this probably establishing currently a rate of \$2 per share per annum. On the basis of a \$2 annual rate, therefore, the yield would be 6.2 per cent. This is an attractive return, and while no official figures have as yet been issued covering 1936, I presume that it will be fully within the competence of the company to maintain this rate. For the year ending December 31, 1935, the company showed net profit after all costs of \$105,531. Added to the \$131,761 brought forward from the previous year, this made a total of \$237,292. Dividends paid totalled \$76,448, and after Federal and Provincial tax deductions a balance of \$138,918 was carried forward into 1936. 1935 witnessed satisfactory progress in the company's various accounts, the liquid position was shown to be exceptionally strong and business generally had shown improvement. Apparently the decision to reduce the rate in July, however, would indicate that profits for 1936 had not been as large as the previous year, but with no figures available this can only be surmised.

W. L. M., Sherbrooke, Que. Shares of SHERITT GORDON MINES appear to hold favorable speculative possibilities yet, although the price has already reflected the upturn in base metals. Copper is now above the level at which operations will return a profit and provided the management is certain of reasonable stability for metal prices operations will be resumed next spring. Work has been in progress for some time getting the property in shape for production.

L. H., Montreal, Que. CANADIAN INDUSTRIAL ALCOHOL for the year ended September 30 last showed net income of \$358,368 against \$227,937 in the previous year. Earnings per share on the capital stock were 32 cents as against 29 cents in 1935. The balance sheet position is strong, total current assets of \$6,691,864 including cash of \$291,847 and call loans of \$500,000 standing against total current liabilities of \$309,433.

M. M., Vancouver, B.C. Yes, you are correct as to the ALDERMAC stock held by TOWAGMAC EXPLORATION COMPANY. Towagmac has 1,356,255 shares of Aldermac Copper Corporation. Of these 780,000 shares were given as consideration for the cancellation of the latter company's indebtedness, and 576,255 were received for its holdings of Aldermac Mines, the exchange being on the basis of four for one.

BABSON SPEAKS

(Continued from Page 17)

prosperity." That times are now normal, and are about to become better than normal, raises the question—what is "normal"? To the statisticians it is, of course, a set of figures on a chart but to one who seeks more deeply than this—who not only sees the wheels going around but wants to know what makes them go around—this definition is not good enough.

The truth is that the present state of the world—including the United States—is as far from normal as it could possibly be. But the actions of their governments have hidden this fact from the people. It has meant nothing to them, in the year 1936, that Russia—that country with such a huge potential purchasing power—continues outside the pale. That Germany and Spain have also been practically withdrawn from world affairs. That China, as a result of the American government's silver purchase scheme, is practically bankrupt. And that with the exception of Argentina the South American continent is an economic desert.

IF THERE is any sense at all in the expression "normal times" surely it refers to times when peaceful trading is going on between the leading nations of the world. Surely, too, in the United States and even more so in Canada, it refers to times when new construction is going forward, new lands farmed, new citizens being welcomed at the borders (instead of being turned back), new values being created all along the line. New wealth.

Instead of a prosperity based on such conditions, the United States in 1936 had a prosperity based on debt. As the people, individually, got richer the people, collectively, got poorer. True, "values" in the country have risen more sharply than has the government debt but then it must be remembered that "values" are subject to readjustment—government debt is not. Declines in bond, stock, and realty markets might conceivably impoverish millions of Americans in a comparatively short time but . . . the government debt does not go down

with the decreased values.

It is significant to trace the course of the new dollars. Primarily, they went into new motor cars. The old—now discredited—political slogan used to be "As Maine goes so goes the nation" but the new economic slogan of the United States might well be "As Detroit goes so goes the nation." The automotive industry, directly or indirectly, supports about 10 per cent of the entire population, and when the industry, in 1936, produced 4,500,000 cars as against 1,500,000 in 1932, it will readily be seen that the whole country has come up with Detroit. The money that was not spent on cars was spent in the stock market and other speculations or investments, on radios and other "consumption goods" or plumped into the banks. It was not spent on instrumentalities for the production of new wealth.

And so the effect of it all, plus the soldiers' bonus, plus the foreign investment funds attracted to New York, was to raise existing values. The drought and the A.A.A. did their part. An important feature in the picture is that there was no flight from the dollar—rather the contrary. A flight from the dollar would have upset the whole apparatus but here again the extraordinary Roosevelt Government enters in—the guarantee of bank deposits and the resultant decline in bank failures to a figure previously unheard of in the country stopped any danger of a repetition of 1932.

ALL in all, it was a most extraordinary year in the United States. In Canada conditions were not so abnormal—our prosperity was not so much of the government induced type. True, we owe thanks to Mr. Roosevelt for many things—for his easing of tariffs, for his influence towards higher wheat prices, for his silver program and for the tourist expenditures of his people (although the last mentioned are partly offset by our rushing across the border and handing the dollars back). But primarily we have devoted more attention to our exports. We had to as we cannot afford to play with economic nationalism.

But generally speaking Canada and the United States are too closely related for one to enjoy prosperity without the other. And vice versa. The charts show that. And so the predictions of the American financial geniuses might well be regarded as applying to us too.

And in weighing the value of such predictions it is well for us to discard those that are based on the false premise that 1936 has seen a return to "normalcy." The predictions for a prosperous 1937 may be correct—they probably are correct—the impetus can hardly be stopped in one short year and the American government will find it impossible to stop its spending. But normal times, and "real" prosperity! Ah, these things are still a long way off.

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COMPENSATION CASE

Important Decision by House of Lords in Compensation Case Involving Disablement by Industrial Disease

BY GEORGE GILBERT

A RECENT case which went to the House of Lords for final determination raised a question of vital importance in respect of the provisions made by Workmen's Compensation Acts for compensation to workers incapacitated by industrial disease. It was an appeal by Mr. Brinley Richards, a coal miner, from an order of the Court of Appeal in favor of Mr. A. E. Goskar, manager and receiver of a colliery company which, at the material date, had employed the miner, who had claimed compensation for disability caused by miner's nystagmus.

In this case the question to be determined was whether a miner who had been certified as suffering from miner's nystagmus and as being disabled from earning full wages at the work at which he was employed, and who returned to his former work at his former wages although he had not in fact recovered from his nystagmus, and who again became disabled by the original nystagmus, could rely upon the original certificate, as contended by the miner, or whether he must obtain a fresh certificate of disablement as a condition of receiving compensation, as contended by the manager of the colliery company.

Lord Atkin, in the course of his judgment, with which Lord Russell of Killowen and Lord Macmillan concurred, said that in this case the workman in 1932 suffered from an industrial disease, miner's nystagmus, and being duly certified received compensation. There had been no further valid medical certificate in respect of him. The judge of the county court had found that he had not recovered from the disease, but that he had been able to earn and had earned full wages. He found, therefore, that the disability to earn full wages had ceased and, feeling himself bound to hold that such disability was the accident found that he was unable to award compensation though the man was now suffering from the same disease and might now by reason of the disease be wholly or partially incapacitated.

SUCH a result was, of course, impossible under the working of the Act, said Lord Atkin, when applied to ordinary accidents. It was common for men to recover so far from an injury by accident that they could earn substantial wages and yet suffer from a recrudescence of the injury caused by the original accident so as again to be incapacitated. In that case they obtained compensation unless it had been terminated by award. Where, however, there was a reasonable prospect of recrudescence, no judge could absolutely determine the compensation. The question, said Lord Atkin, was whether the position was different in cases of industrial disease.

He pointed out that there could be no doubt the cases of "Timmins v. Bradworth Main Colliery Company, Limited" and "Durrant v. British Fibre-ment Works," decided in the Court of Appeal, bound the county court judge to come to that conclusion, but he said he hoped to be able to show both from the Act itself, from the decision in the House of Lords, and from subsequent decisions in that House, that the legal position was not that which had been adopted by the Court of Appeal and by the county court judge.

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FIRE, WINDSTORM, AUTO, CASUALTY

Apart from the decisions, the meaning of the relevant sections seemed clear enough, said Lord Atkin, who went on to point out that Section 43 indicated three alternative conditions in which a workman or his dependents would be entitled to compensation: (1) Certificate that the workman was suffering from an industrial disease and that he was thereby disabled from earning full wages; (2) suspension under the Factory Acts on account of having contracted such disease; and (3) death caused by such disease.

IF ANY of these conditions was fulfilled and the disease was due to the nature of the employment in which the workman was employed at any time within the twelve months previous to the date of the disablement or suspension, the workman or his dependents "shall be entitled to compensation under this Act as if the disease or such suspension as aforesaid were a personal injury by accident arising out of and in the course of that employment," subject to the following modification: "(a) The disablement or suspension shall be treated as the happening of the accident."

The principal other modifications, said Lord Atkin, were that the compensation was to be recoverable from the employer who last employed the workman during the said twelve months in the employment to the nature of which the disease was due. By subsection (2) the date of disablement was the date certified by the certifying surgeon or, if no such date, the date of the certificate.

Proviso (6) was important: "Where a workman dies without having obtained a certificate of disablement, or is at the time of death not in receipt of a weekly payment on account of disablement, it shall be the date of death." The sufferer from industrial disease was to be entitled to compensation "under this Act," and part II of the Act, dealing with industrial diseases, was obviously intended to be written into part I so that the machinery provided for the relief of workmen injured by ordinary accidents could be applied with the necessary modifications to workmen suffering from industrial disease.

IN THE case of ordinary accidents the sequence of events was clear, said Lord Atkin. Shortly, it was: accident, injury, incapacity. It was to be noted that the certified "disability" or the "suspension" referred to in section 43 did not take the place of or necessarily establish that incapacity for work which measured the compensation. The certificate was only of disability from earning full wages at the work at which he was employed. The county court judge in case of dispute had to determine whether there was total or partial incapacity for work resulting from the injury, section 9, either in the work at which the workman was employed or any other suitable work. That it was incapacity from the injury that had to be determined was made clear by other sections.

What the Act had provided by Section 43 was that industrial disease due to the nature of the employment was equivalent to an injury by accident arising out of the employment, said Lord Atkin. The certificate of "disability" like the "suspension" was necessary to fix the stage at which the progressive disease could reasonably be treated as an injury by accident, and the time of the happening of the accident for the purpose of notice and for some purposes of calculating wages was fixed by the certificate or date of suspension. Translated disability into "accident," however, for all purposes, and the scheme, said Lord Atkin, fell to pieces.

IF DISABILITY was the accident, what was the injury? And if disability were, as it was, disability caused by disease, "is thereby disabled"—what had the judge to consider when he was determining whether there was incapacity resulting? He must, at that stage, said Lord Atkin, disregard the certified disability of the "accident" and revert to the disease. On that construction disease which in terms was the injury, and by the statute was an injury caused by accident, had yet caused the accident. It must be noticed that in the case of death there might be no certificate of disability and no suspension, and that modification (6) had no application.

The simple question, said Lord Atkin in conclusion, was whether a man who had been certified to have been disabled by an industrial disease and was found to be still suffering from that disease and to be disabled by that disease, was debarred from recovering compensation because for some time after the original disablement he was able to earn full wages at the employment in respect of which he was originally certified. Such a proposition appeared to Lord Atkin quite inconsistent with the rights given in the case of ordinary accidents. It was inconsistent with the terms of the Act, including sections 12, 18, etc., which applied both to ordinary accidents and to causes of industrial disease. It appeared to him that the



K. G. McNAB, who has been appointed Agency Superintendent of The Manufacturers Life Insurance Company, succeeding L. A. Spalding, who retires after a lengthy and notable service with the Company extending back to 1901. Mr. McNAB joined the Company's staff in 1927, upon graduation from Queen's University, and after spending three years in the Actuarial and Medical Departments was made Manager of the Medical Department in 1930. Later in that year he went to Japan on special work of a medical and actuarial nature. In 1935 he accompanied the Agency Superintendent on his regular visit to branches in fields abroad. In 1935 he was appointed Assistant Agency Superintendent.

workman in this case was entitled to have his claim for compensation assessed by the county court judge, and that the appeal should be allowed and the case remitted to him for that purpose.

CANADA LIFE DIVIDEND SCALE

THE Canada Life Assurance Company of Toronto is continuing for the first six months of 1937 its present regular dividend scale and also the present scale of special dividends, on annual dividend policies.

The total rate of interest on dividends and proceeds of policies left on deposit with the company will be 3½ per cent per annum where any excess interest payments become payable during the first six months of 1937. This rate is the same as that in effect during 1936.

RECORD BUSINESS BY PRUDENTIAL OF ENGLAND

INFORMATION has been received from the chief offices of the Prudential Assurance Company of London, England, by Mr. E. C. Capon, Life Branch Manager for Canada, that a new record was set up by this company in the ordinary branch in net new business sums assured in 1936. The figure established, excluding group business, exceeded \$146,500,000. During the same period consideration for annuities granted was in excess of \$6,500,000.

INSURANCE COMPANY SENDS ADDRESS TO KING

AT A meeting of the Court of Governors and Directors of the Royal Exchange Assurance Company of London, on December 23 last, an address of congratulation on his Majesty's accession to the Throne was approved.

The address itself was in the following terms: "To The King's Most Excellent Majesty: The Humble Address of the Corporation of The Royal Exchange Assurance Company."

"Most Gracious Sovereign: 'We your Majesty's dutiful and loyal Subjects the Governors and Directors of and representing the Corporation of the Royal Exchange Assurance Company incorporated by Royal Charter A.D. 1720, in Court assembled beg leave to tender our congratulations on your Majesty's accession to the Throne and earnestly pray that your Majesty and your Royal Consort our gracious Queen Elizabeth may be spared for many years in health and happiness to reign over a loyal and devoted people.'"

GREAT-WEST LIFE INCREASED PRODUCTION

ACCORDING to announcement released by H. W. Manning, assistant general manager, 1936 final production records of The Great-West Life Assurance Company show over two millions increase in new business. The improvement in new business was quite general throughout the company's agencies both in Canada and the United States, over two-thirds of the agencies reporting individual substantial increases. Manager C. F. Dumfee's Winnipeg agency led the company, while Louis White, of Toronto, was the leading individual producer for Canada.

INDUSTRIAL ACCIDENTS INCREASE IN ONTARIO

THE figures for the Workmen's Compensation Board of Ontario for the year 1936 show a total of 61,382 accidents reported during the year, as compared with 58,546 during 1935, and is the largest number since 1930, when the total was 69,267.

The total accidents numbered 375, as compared with 287 during 1935.

The total benefits awarded during the year amounted to \$5,573,507.15, as compared with \$5,314,112.87 during 1935, the 1936 figures being made up of \$4,544,864.79 compensation and \$1,058,642.36 medical aid.

Taking a basis of 300 working days, the average daily benefits awarded amounted to about \$18.58, requiring an average of \$62 cheques per day. The average number of new claims reported daily increased from 195 in 1935 to 205 in 1936.

The accidents reported during December numbered 5,444, and the benefits awarded amounted to \$637,283.92.

FIRE ————— AUTOMOBILE

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WELLINGTON FIRE INSURANCE COMPANY

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ONE OF THE OLDEST CANADIAN COMPANIES

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Toronto

SURPLUS TO POLICYHOLDERS EXCEEDS \$61,000,000.00

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J. H. RIDDEL
Manager

V. G. CREBER
Asst. Manager

S. FAIRLEY
Secretary

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Doel your Fire Insurance PAY DIVIDENDS?

Under the Northwestern Mutual plan, the annual surplus or profit is paid back to policyholders in the form of dividends. These amounted last year to \$1,098,428. Ask our nearest office for particulars.

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20% to 30% AT STANDARD RATES

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ALLIANCE ASSURANCE COMPANY LTD.

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Established 1824

ASSETS (INCLUDING LIFE FUNDS) EXCEED \$150,000,000

FIRE ————— AUTOMOBILE ————— CASUALTY

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Both the Assured and the Agent benefit by association with

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Everything but Life Insurance—Agency Correspondence invited.

GEORGE H. GOODERHAM,
PresidentA. W. EASTMURE,
Managing Director.

Royal Bank of Canada 68th Annual Meeting

Morris W. Wilson, President and Managing Director, Stresses Need for Orderly Recovery—Recommends Commission to Investigate Financial Relationships of Dominion, Provincial and Municipal Governments.

Sydney G. Dobson, General Manager, Reports \$56,000,000 Increase in Deposits—Profits Improved—"Business Undoubtedly on Up Grade."

Warning against the dangers of a speculative boom, and a plea that recovery be maintained on an orderly basis, were outstanding features of the address of Morris W. Wilson, President and Managing Director, at the 68th Annual General Meeting of The Royal Bank of Canada.

That recovery was well on the way there could be little doubt, and "even the most sanguine would have hesitated a year ago to predict progress as great as that which has been accomplished during 1936," stated Mr. Wilson.

In addressing the meeting, Mr. Wilson said, in part:

"A serious drought again affected large areas in the West, with results that were disastrous to the farmers immediately concerned. Those farmers who reaped good crops last year benefited materially by higher prices, but, in the midst of a broad recovery, farm income has lagged behind.

"It is gratifying that the stocks of grain in Canada are again of normal proportions. Nature is in a fair way to take the Government of Canada out of the grain business. It is sincerely to be hoped that she will not be drawn into it again.

Industries

"Prices for newsprint have shown a slight increase during the past year and this, together with a heavier volume of sales, has brought encouragement to the newsprint industry.

"In the lumber industry there has been a satisfactory volume of demand from Great Britain ever since the beginning of their building boom. This demand has been maintained during the past year and is the most important factor in the improvement of conditions in lumbering.

"The value of Canadian mineral production established a new high record in 1936, amounting to approximately \$356 million compared with \$312 million in 1935. The prospects of the Canadian mining industry are more favorable than at any time in the past.

"Throughout the manufacturing industries of Canada, volume of production has been above the level which prevailed in 1936 and in October reached the highest point recorded since July 1929.

Employment and Relief

"At the moment manufacturing employment is close to normal. In mining, as a whole, the number employed is greater than at any time in our history. In trade the volume of employment is not unsatisfactory. Under these circumstances, I cannot but feel that the time has come to examine with care our lists of those receiving unemployment relief. It is a notable fact that there has been no census of unemployment since 1931. At a time like the present a biennial census would give our various governing bodies facts which would help them in determination of policies.

Division of Taxes

"Over a wide field of economic legislation it is virtually impossible to guess whether ultimate authority rests with the Province or with the Dominion.

"Let us secure a review of the whole subject by a Royal Commission with the object of resolving these complexities. Changed social and economic conditions have thrown responsibilities on various governing bodies that were never contemplated at the time of Confederation, and as a consequence it is found increasingly difficult, in some instances, to meet these additional responsibilities with the sources of revenue at their disposal. Having regard to the necessity of maintaining the national credit, it is at all possible some solution must be found which will permit both provinces and municipalities to continue the service of their public debt in full.

Individualistic Democracy

"It is the fashion in certain quarters to say that the system of capitalism—or, as I prefer to term it, individualism—has failed.

"In the past it has adapted itself to changes in economic conditions and social concepts, and there is no reason to think that such adaptations will not continue to be made. In fact they must be made if the system is to survive. With Communism, Fascism and Nazism in competition, individualism will survive only if the benefits which it provides to the community continue to be greater than those conferred upon people living under other organizations of society.

"If we would set an example to the world we must manifest that unusual degree of self-control which restrains booms and thus avoids subsequent depressions.

Money

"It is for this reason that the present monetary situation is an outstanding challenge to economic individualism. Can a popular government, such as that in the United States, for instance, deal effectively with the monetary situation? The revaluation of gold by the United States and the reduction in the gold value of other currencies, made almost unanimous this past year by the capitulation of the European gold bloc introduced a dynamic inflationary force into world economy. It is encouraging to note that this potentiality seems to be understood by the monetary authorities in the United States and that they are taking definite action. The world has not previously experienced a period when borrowing rates have been so low for so long a time. If continued on this basis an unhealthy and artificial situation will develop. Easy money is a powerful force; it operates somewhat slowly, but to wait until it is evident that speculation is out of hand will be to create conditions which can be corrected only by depression.

In some quarters we are asked to believe that the increased government regulation of general economy may make it possible to continue low interest rates more or less indefinitely. I feel strongly that this view is not correct and that the action now being taken is by no means premature. By use, if necessary, of the large reserves already accumulated it will be possible to prevent any serious interruption in recovery. It is surely better that we maintain the upward trend for a prolonged period and that recovery shall proceed in an orderly manner, with the minimum of encouragement to irresponsible speculation. We must on no account allow recovery to degenerate into boom, the forerunner of depression. Individualistic economy will stand or fall, depending upon its ability to prevent depressions."

General Manager's Address

In reviewing the annual balance sheet, Mr. S. G. Dobson, General Manager, referred with satisfaction to an increase of \$54,658,757 in total assets, which now aggregate \$855,588,457, and to an increase in deposits during the year of \$56,279,909. Mr. Dobson said in part:

Current Loans Situation

"The demand for loans in Canada was again disappointing, though there have been indications during the last few months of increased requirements for business purposes. While advances under the heading of Current Loans in Canada decreased \$41,251,783 during the year, this does not mean that the requirements of our ordinary borrowers were that much smaller. The reduction is fully accounted for by repayment of two special loans, namely, about \$33,000,000 due by the Wheat Board liquidated principally through the sale of surplus stocks of wheat held under government control, and the repayment of approximately \$10,000,000 due by the Canadian Pacific Railway, being our participation in the loan to that company made by the chartered banks of Canada under Dominion Government guarantee.

"I give this information to correct an impression which casual consideration of this item in our Balance Sheet might create, that is, that business is still undergoing a process of liquidation.

"In this connection it is interesting to note that total commercial loans in Canada of all banks are only 59.46% of the amount outstanding at the end of 1929.

"Due to increased volume of business, I am pleased to report an improvement in profits of \$291,492. While not large, this is an encouraging trend.

Improvement in Business

"A review of conditions in Canada and other countries in which the bank has branches, indicates a definite improvement in business in Canada and in practically all of the foreign countries in which we are represented. Business is undoubtedly on the upgrade, and I look forward to 1937 with a greater feeling of confidence than has been justified for some years."

"I give this information to correct an impression which casual consideration of this item in our Balance Sheet might create, that is, that business is still undergoing a process of liquidation.

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INSURANCE INQUIRIES

Editor, Concerning Insurance:

Can you tell me if days of grace are allowed for payment of monthly premiums by the Women's Benefit Association of Michigan, and if this society is licensed in Canada, with a Government deposit for the protection of policyholders in this country.

—L. M. C. Hamilton, Ont.

Monthly payments for insurance with the Women's Benefit Association become due and payable on the first day of each month. If not paid within the month in which they become due, a collection fee of ten cents is required. I understand, to apply on the extra expense of collection. After three years' membership, if the insurance carried is other than term insurance, tardy payments are automatically taken care of by a rate loan from the benefit fund, in which case an interest charge of ten cents per month must be paid. This premium loan continues for six months, and if there is any reserve remaining after that period it is applied to the purchase of paid up insurance.

This fraternal society was organized in 1892, and has been operating in Canada under Dominion license since 1920. It has a deposit with the Government at Ottawa of \$238,576, made up of: \$71,000 Dominion of Canada bonds; \$10,000 Province of Ontario bonds; \$16,687 municipal securities. It is licensed to transact life insurance in this country to the extent authorized by its Act of incorporation, constitution and laws. On policies issued in Canada since 1920, it maintains a deposit with the Government equal to the reserve on such policies. It is safe to insure with for fraternal insurance.

At the beginning of 1936 its total admitted assets were \$34,541,172.33, while its total liabilities, including policy reserves, etc., amounted to \$33,103,228.24, showing a net surplus over policy reserves and all liabilities of \$1,437,944.09. All claims are readily collectable.

Editor, Concerning Insurance:

Will you kindly give me some idea as to the position of the Halifax Fire Insurance Company as compared with other companies and their fairness in adjusting claims?

I was considering taking out a small life policy with them; a local agent told me that they were not very strong and it would be much better to place this business with a tariff company.

I would appreciate it if you would kindly tell me exactly just what is the difference between a tariff company and a non-tariff company, if any.

—C. G. D., Kingston, Ont.

You will be amply protected if you take out a policy with the Halifax Fire Insurance Company, as the company is in a strong financial position and safe to insure with. All claims are readily collectable.

Established in 1804, it is the oldest existing native company, and has long occupied a position in the front rank of Canadian companies. Its total admitted assets at the beginning of 1936 were \$5,139,485.63, while its total liabilities except capital amounted to \$1,654,233.40, showing a surplus as regards policyholders of \$3,485,252.23. Comparing this amount with the amount of the unearned premium reserve liability, \$691,236.80, it will be seen that the company occupies a very strong position in relation to the volume of business transacted. Its net surplus over capital and all liabilities was \$1,485,252.23.

A tariff company is one which

belongs to the Canadian Underwriters Association, and is pledged to abide by its rules as to rates, commissions to agents, etc., while a non-tariff company is one which does not belong to this association and is accordingly not bound to charge tariff rates, pay tariff commissions to agents, etc.

Most of the large and strong companies belong to the association, but there are large and strong companies which do not belong, and the Halifax Fire is one of them.

—T. E. W., Vancouver, B.C.

Annual premiums under a life insurance policy are based on the principle that the amount will be paid in advance and that the money will earn interest from the beginning of the policy year. If only a quarter or a half of the amount of the annual premium is paid, there will be a loss to the company of interest on that portion of the premium not paid at the beginning of the year. There is also the possibility that the company will receive less than a full year's premium for the year in which the insured dies. There is likewise a certain amount of extra trouble and expense incurred in collecting premiums more frequently than once a year. Accordingly, there is justification for making the quarterly and half-yearly premiums correspondingly higher than a quarter and a half, respectively, of the annual premium.

Editor, Concerning Insurance:

I have a loan against a policy for \$5,000 I hold with a Western life company. In the event of the company becoming insolvent, could I be compelled by its creditors to repay my loan, while my policy became worthless?

—E. A. S., Calgary, Alta.

In borrowing on your life insurance policy, you are simply taking out for temporary use some of your own money, to which you are entitled by the terms of the contract. As the loan reduces the amount which becomes payable by the insurance company should your policy become a claim, and as you must pay interest on the loan, it is very much in your own interest that you make an effort to repay the loan as soon as possible, so as to restore the policy to its full value and also save the payment of interest. As the interest rate on policy loans is usually six per cent, you have a worthwhile incentive to pay off the loan, even by small instalments, if necessary, because where could you use money to better advantage at present than six per cent?

But it rests with you whether the loan is repaid or not, as neither the liquidator nor the creditors of a company, should it go bankrupt, could enforce repayment. As a matter of fact, there is no danger of any regularly licensed legal reserve life company getting into a position where its policyholders would not be fully protected to the full face value of their policy contracts, in my opinion.

There would be no loss to the company or to the creditors, as the case may be, in the event of a policy loan not being repaid, because of the reserve maintained against the policy. Indemnity against a policy is never allowed to exceed the amount of the reserve; the policy automatically terminating before any loss to the company occurs.

METHODS DIFFER

(Continued from Page 17)

in full and as quickly as possible. In part it may be due to real honesty of citizens and their municipal leaders; in part it may also be through the influence of religious leaders of the Province; but it certainly has been helped by a capable Department of Municipal Affairs which, as part of the provincial government, is charged with controlling the finances of municipalities which default.

The City of Cap-de-la-Madeleine, which adjoins Three Rivers and which is mainly dependent on the newsprint industry, defaulted in 1933. With a population of some 8,000 people, it is comparable with such Ontario towns as Pembroke, Trenton and Midland. For just about three years it was behind in meeting its payments. But everything has been paid in full. It will be of interest to every holder of any kind of a municipal bond to follow the chain of events as recorded in twenty-three circulars issued on this municipality by the Quebec Municipal Commission. On May 14, 1934, the Commission stated that money was available to meet coupons due up to May 1, and that coupons due on June 1 could also be presented on and after that date. Here is a complete list:

Payments due—Money Available
May 1, 1934, to May 14, 1934
May 1, 1934, to May 14, 1934
July 1, 1934, to June 29, 1934
August 1, 1934, to July 28, 1934
October 1, 1934, to September 26, 1934
November 1, 1934, to October 26, 1934
January 1, 1935, to January 3, 1935
February 1, 1935, to February 12, 1935
April 1, 1935, to March 25, 1935
May 1, 1935, to April 23, 1935
June 1, 1935, to May 29, 1935
July 1, 1935, to June 19, 1935
August 1, 1935, to July 16, 1935
October 1, 1935, to September 28, 1935
November 1, 1935, to October 28, 1935
December 1, 1935, to November 29, 1935
January 1, 1936, to January 3, 1936
February 1, 1936, to February 7, 1936
April 1, 1936, to April 1, 1936
May 1, 1936, to May 27, 1936
June 1, 1936, to May 27, 1936
July 1, 1936, to July 27, 1936
July 1, 1936, to July 27, 1936

* (prin.)

Thus the Commission was always able to advise holders that money was available, usually in advance of the date for actual payment. Interest was likewise paid on overdue principal. On July 1, 1936, all principal maturities were caught up. The Commission was able on that date to mark "miles" to the Cap-de-la-Madeleine default, after less

than three years of administration, and with no loss whatever to investors apart from slight temporary delays. "In future," it said, "the bondholders of the City of Cap-de-la-Madeleine shall present for payment at the bank, on maturity date, their interest coupons as well as the bonds falling due with out awaiting any notice from the Quebec Municipal Commission."

THE City of Chicoutimi, a pulp and paper centre of some 12,000 people, defaulted in 1933. It is not yet in the clear, but there is no proposal of reduction in debt, and it is making progress. Interest due up to November, 1933, was met in July, 1935, another three months interest was met in February last, and payments due to August, 1934, were met by December.

The Town of Alma is running about two years behind, payments due in late 1933 and part of 1934 having been met last October. The Town of Black Lake, a well known asbestos centre, is also about two years behind. The pulp and paper towns of Jonquière, which defaulted in 1933, and which at one stage was a year behind, was fully caught up in December last. La Tuque was in technical default from 1933 to 1935, but by August of the latter year it also was caught up, and bondholders were advised that "future payments of interest and principal will be met regularly at maturity date."

The Village of St. Siméon was a year behind in 1934, but is now practically up-to-date. The Township of Bagot is about two years behind. The Parish of St. Joseph d'Alma has been about three years behind. The School Commission of Chicoutimi is practically up-to-date. But it is needless to cite further examples to illustrate the policy and the practice of Quebec and its municipalities. There have been very few debt reductions of any consequence, certainly nothing approaching the large scale and drastic cuts that are threatened in Ontario and in the West. Something more of the Quebec spirit is needed in these other Provinces.

CANADA CEMENT COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:—

Your Directors present herewith a statement of the affairs and financial position of your Company for the fiscal year ending November 30, 1936.

The general improvement in business conditions in Canada during 1936 was reflected to some degree in the building industry, resulting in an increase in cement consumption over 1935. It may be stated, however, that the building industry is still far from normal for this country. Building and Engineering permits for 1936 were only 43½% of 1926 and 25% of 1929. There is encouragement in the fact that a perceptible upturn took place in private building, the first real sign of a revival in private construction since the commencement of the depression. Canada still lags far behind nearly every other country in the world in building activity, but a gradual improvement is looked for in this connection.

The statement presented herewith is in consolidated form, including all subsidiaries. The results of the year's operations reflect the improvement in cement consumption during the year. Net earnings improved by \$625,548.24. Depreciation Reserve set up amounts to \$1,027,828.80, and included in this is an item of \$27,828.80 reserve for depreciation of Canada Cement Building which is owned by the St. Lawrence Land Company, for the first time included in the consolidated statement. You will note also that the Reserve for Extraordinary Repairs and Renewals has been increased from last year's figure of \$175,000.00 to \$325,000.00. This increase is also accounted for by the consolidation of the St. Lawrence Land Company accounts. Owing to the fact that shipments of your Company's product are now made largely in paper sacks, the amount previously standing in Cloth Sack Reserve Account amounting to \$150,000.00 has been transferred to Contingent Reserve, bringing this reserve up to \$400,000.00.

At a Special General Meeting of Shareholders held on September 25, 1936, you authorized a new issue of bonds to replace the then outstanding \$17,059,000.00 of 5½% Gold Bonds. This operation has been carried out. Of the new issue of \$20,000,000.00 authorized \$16,500,000.00 were sold — \$3,000,000.00 bearing 3½% interest, \$3,000,000.00 bearing 3½% interest, and \$10,500,000.00 bearing 4½% interest.

The difference between the amount of bonds previously outstanding of \$17,059,000.00 and the amount now outstanding of \$16,500,000.00, plus the bond refunding expense (consisting of the redemption premium on the old bonds, the exchange premium on the old bonds, and the discount on the new bonds), has all been taken care of out of the cash resources of the Company. The bond refunding expense has, however, not been written off but has been carried forward on the books of the Company and will be amortized over future years.

The issue of the new bonds will result in considerable saving of interest to the Company and a relief from exchange fluctuations which proved a somewhat burdensome item on the old bonds as they were payable both as to principal and interest in three currencies at the option of the holder. The new bonds are payable in Canadian funds only.

Dividends accrued during the year on the Preference Stock. Owing to the improvement that has already taken place in the business of the Company and the prospects for its continuance, your Directors have declared a dividend of \$1.00 per share on the Preference Stock, payable March 20th to Shareholders of record February 28, 1937. Future declarations will depend upon conditions at the time they come up for consideration.

Respectfully submitted on behalf of the Board of Directors,
J. D. JOHNSON,
President.

CONSOLIDATED BALANCE SHEET — NOVEMBER 30, 1936

CURRENT ASSETS:	ASSETS
Inventories as determined and certified to by the Management and valued at or below cost which is below market.....	\$1,062,035.69
Accounts Receivable (less Bad Debt Reserve).....	\$311,663.01
Customers' Accounts.....	64,456.01
Other Accounts.....	378,651.66
Loans to Employees for purpose of purchase of Company's shares.....	1,616.41
Deposits on Tenders.....	13,856.42
Securities deposited with Warehouse Companies.....	5,000.00
Commission.....	5,000.00
Government and Public Utility Bonds (Market value \$1,485,000.00).....	1,485,210.63
Cash.....	550,100.85
	\$ 3,840,290.66
OTHER INVESTMENTS:	
Miscellaneous Investments at cost, less amounts written off.....	60,024.30
UNPAID INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES.....	\$1,802.01
BOND REFUNDING EXPENSE:	
Premium and exchange on bonds redeemed and discount on new bonds issued.....	1,602,104.04
PROPERTY ACCOUNT:	
Land, Buildings, Plant and Equipment, etc., less depreciation by Messrs. Ford, Bacon & Davis, Inc., on the basis of commercial value at September 30, 1935, \$18,424,000.00 and the Canada Cement Building at cost, with subsequent additions and acquisitions at cost, less Depreciation Reserve of \$12,099,704.11.....	42,092,384.39
	\$47,771,647.41
LIABILITIES	
Accounts Payable.....	\$29,121.45
Bond Interest Accrued.....	28,167.00
Mortgage Interest Accrued.....	2,226.00
Provision for Dominion, Provincial and other Taxes.....	247,334.75
	\$ 636,848.46
FIRST MORTGAGE BONDS:	
Authorized.....	\$20,000,000.00
Issued (on November 1, 1936 Series "A").....	
3½% Serial Bonds due 1937 to 1940.....	\$ 3,000,000.00
2½% Serial Bonds due 1941 to 1944.....	3,000,000.00
4½% Sinking Fund Bonds due 1937 to 1940.....	10,000,000.00
	16,000,000.00
MORTGAGE ON CANADA CEMENT BUILDING:	
Balance bearing interest at 5½% per annum due in 1937, repayable after June 1, 1937, at Company's option.....	\$20,000.00
RESERVES:	
Fire Insurance.....	\$ 75,000.00
Extraordinary Repairs and Renewals.....	325,000.00
Industrial Accidents.....	25,000.00
Contingent Reserve (after transfer of Cloth Sack Reserve of \$150,000.00).....	400,000.00
	1,225,000.00
PREFERENCE SHARES REDEMPTION RESERVE	
PREFERENCE SHARES—6½% SINKING FUND CUMULATIVE SHARE OF \$100.00 EACH REDEMPTIBLE ON SIXTY DAYS NOTICE.....	2,000,000.00
Authorized (of which \$21,000,000.00 has been issued).....	2,000,000.00
Outstanding.....	21,000,000.00
NOTE: No dividend has been paid since May 31, 1932.	
COMMON SHARES:	
100,000 Shares of No Par Value, out of an authorized sum of 1,000,000 Shares.....	6,403,004.75
EARNED SURPLUS:	
Profit and Loss Account for the year ending November 30, 1936:	
Profit from Operations.....	\$ 1,870,000.87
Income from Investments.....	24,836.41
Profit on Sale of Investments.....	26,420.00
	\$ 1,921,257.28
Deduct:	
Bond Interest and Exchange thereon.....	\$ 29,121.45
Mortgage Interest.....	2,226.00
Depreciation—Excession.....	14,200.00
Executive Remuneration.....	67,228.89
Directors' Fees.....	6,870.00
Legal Expenses.....	809.25
Legal and other Bond Expenses.....	64,660.64
Provision for Dominion and Provincial Income Taxes.....	142,000.00
	227,036.29
Earned Surplus, November 30, 1936.....	\$ 1,694,221.00
Adjustments in respect of prior years.....	16,138.93
	1,710,359.93
	\$47,771,645.94

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1936, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of Canada Cement Company Limited and its Subsidiary Companies at November 30, 1936, and that the Profit and Loss Account correctly sets forth the result of their combined operations before making full provision for Depreciation of Plant and Equipment, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, January 6, 1937.

APPROVED ON BEHALF OF THE BOARD:

J. D. JOHNSON, Director.

F. B. KILBOURN, Director.

"Power" Securities

Earnings of leading Light and Power distributing companies have a record of unusual stability. Improving business conditions enhance the outlook.

Bonds of several such companies offer attractive returns. Offerings on request.

Royal Securities Corporation

Limited
244 St. James Street Montreal 840 Bay Street Toronto 2
Offices throughout Canada; also in New York and London

MASSEY-HARRIS PREFERRED

We Invite Inquiry

Bongard & Company

80 KING ST. WEST, TORONTO. EL. 5381
UPTOWN BRANCH: 37 BLOOR ST. WEST — MI. 2494

GUELPH KITCHENER WINDSOR HAMILTON

The Toronto Stock Exchange
Winnipeg Grain Exchange
Chicago Board of Trade
New York Curb (Assoc.)
Calgary Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Commodity Exchange Inc.
Canadian Commodity Exchange Inc.

We recommend for immediate purchase the shares of the

COULSON CONSOLIDATED

GOLD MINES, LIMITED

Because we believe the shares offer an unusually attractive speculation.

Actively traded on over-the-counter Toronto Markets

Inquiries Invited

INTERNATIONAL FISCAL CORPORATION

106 C.P.R. Building TORONTO Waverley 1803-4

AN EASTERNER LOOKS AT OIL

How R. A. Brown, by Insisting on Disagreeing with the Theorists, Brought About an Oil Boom in the West

BY J. SCOTT RATTRAY

TWICE in less than a decade is good going for any town to have a mission. Calgary had one two or three years ago when it called to a palpitating world to join a holy Jihad against political-economic under the green banners of Social Credit.

Today Calgary has another mission. Like the last, this has all its fervency, all its sincerity and also like the last has its base rooted in economics—but there the resemblance ends. The new mission is the laudable hope to do for Alberta and the West what Ontario did for Canada in the lean years by taking off its collective coat and developing natural resources in the time-honored manner.

To make the analogy with Ontario more complete, Calgary has, although incipient as yet, many of the symptoms that prevail in a mining town before activity reaches its crest. There is the undercurrent of excitement glossed over superficially by ordinary affairs and the electric feeling of impending happenings in the air, although the quality is perhaps a little different.

It's not exactly the explosive air of the hard rock mining town, but is probably more akin to the fluid penetrating quality of its origin, oil. Still the ultimate effects are the same whether it hits you forcibly or whether it just oozes in. For Calgary means to float back to recovery on oil and any native of Calgary can produce at a minute's notice enough valid arguments as to how home production affects the balance of trade to chase away even the cares of a finance minister.

It ALL began when last summer's developments in the Turner Valley resurrected hopes that twice before had failed of fulfillment. But you cannot keep a good western town down. At least not with only two tries and Calgary is a firm believer that the third attempt is the harbinger of luck.

Calgary was so convinced of this that it did the unorthodox thing of putting its own good money in the attempt to prove that the Turner Valley structure did have the necessary ingredient in its make-up. And it did this unheard-of financing in face of the fact that some 75 millions of dollars had been expended in the last twenty years on the same project.

Of course, being on the ground floor as it were and possessing an elephantine kind of memory to boot, Calgary remembered that there are two sides to each ledger and while other people counted the outgo, it totted up the income. It remembered that Alberta oil lands had returned in dividends some 37 millions of dollars, which considering the mortality of speculative things is not a bad average. As a matter of fact, it works out on the surface to a two to one shot. So Calgary people put their Bank of Canada greenbacks into the

Turner Valley Royalties well number one and used their prosperity certificates to buy shoes for the baby.

Now Turner Valley Royalties was being run by an electrical engineer by the name of R. A. Brown. Brown by rights should have been attending to his knitting or wiring or whatever electrical engineers do and left such technical problems to the proper technical men. Had it been in labor circles, the union would have promptly put Brown into his correct place.

But R. A. Brown was a man seized of an idea. Every minute of his spare time—and that included Sundays also—was spent in the furtherance of his brain-child. It got so bad that his physical children came to look upon him in much the same manner as does the family of a golf maniac. Eventually in sheer desperation both his son and daughter became implicated in the

work to protect their birthright and to see him occasionally. What made the whole affair incomprehensible was the fact that Brown insisted on drilling according to a pet theory of his, which was totally at variance with the ideas of most technical men. In fact, the latter proved beyond all cavil that it was not possible that a single drop of oil could or ever did exist where Brown was drilling.

But Brown, who could double for Ontario's Jack Hammill in personality, although lacking Jack's singularly expressive vocabulary, doggedly went on drilling with Hammillish grit.

His determination finally bore fruit for his well came in with a bang that could be heard for miles around. In fact, Eastern markets caught the reverberations and wondered what it was all about because nobody had heard of the Turner Valley since the much lamented 1929 days.

The well actually ran oil on a structure where previously well-informed persons had thought only existed good solid rock, proving that even well-informed persons are sometimes wrong. Moreover it showed that

(Continued on Next Page)



H. B. HENWOOD, General Manager of the Bank of Toronto, who reported, at the annual general meeting of shareholders, that net profits for the fiscal year ending November 30 last were \$1,141,811, which is \$335,419 over the amount reported for the previous year. Mr. Henwood referred to the recovery during the year of loans previously written off as losses, and said he anticipated that the bank's earnings will henceforth not be subjected to the heavy charges for loan losses as had been the experience during the last five years of depression. The General Manager's report indicated a further improvement in the bank's already strong position. Of liabilities to the public, 77.57 per cent. consist of cash or of assets readily convertible into cash. Total assets of the bank have increased by almost \$9 millions, and deposits by a nearly similar amount.

UNLISTED QUOTATIONS

(Furnished by A. J. Pattison, Jr. & Co., Limited, January 18).

INDUSTRIAL STOCKS	Bid	Asked
Acadia Sugar Com.	5.25	5.50
Assoc. Tel. & Tel. 6.00 Pfd.	51.00	54.00
Burns & Co. Ltd. "A"	12.50	14.00
Burns & Co. Ltd. "B"	7.00	8.00
Canada Starch Com.	27.00	
Can. Tube & Steel Com.	8.00	
Can. Tube & Steel 1st Pfd.	14.00	
Can. Industries "A" Com.	212.00	
Can. Industries 7% Pfd.	164.50	165.50
Can. Ingersoll Rand	129.00	131.00
Can. Westinghouse	72.00	73.50
Conduits Nat. Common	6.00	
Dom. Found. & Steel 6%	96.00	100.00
Eastern Paper 7% Pfd.	27.00	29.50
Federal Grain Com.	4.75	5.25
Goderich Elevator & Transit	9.00	10.00
Joseph Carpet 6 1/2% Pfd.	105.25	106.50
Hayes Steel Prod. Pfd.	7.50	8.25
Highland Dairy 7% Pfd.	81.00	85.00
Inter. Mfg. Indust. "A" 6%	90.00	95.00
Pfd.	106.00	107.50
Provincial Paper 7% Pfd.	13.00	14.50
Reliance Grain Common	41.00	43.50
Ruddy, E. L. 7% Pfd.	9.00	10.00
Standard Pulp Common	2.30	2.55
Wings Limited		

THEATRE STOCKS

Allens Beach Pfd.	69.00	72.00
Allens Kingston Pfd.	65.00	
Allens Parkdale Pfd.	73.00	
Allens Toronto 7% Pfd.	31.00	35.00
bonus Com.	3.00	3.50
Loew's London 7% Pfd.	117.00	
Loew's Toronto Pfd.	54.00	
Paramount Kitchener Pfd.	89.50	95.00
Paramount Oshawa Pfd.	25.00	
United Amusement A	24.50	
United Amusement B		

POWER ISSUES

Calgary Power 6% Pfd.	80.00	82.00
Can. West. Nat. Gas L&P	91.00	92.50
6% Pfd.	25.00	27.00
Can. West. Nat. Gas L&P	35.00	37.00
Com.	14.75	16.50
Great Lakes Power Pfd.	12.00	
Inter. Util. 1 1/2% Pfd.	15.00	
Inter. Util. 7% Pfd.	38.00	
Montreal Island Pwr. Pfd.	12.00	
Nor. Ont. Power 6% Pfd.	165.50	165.00
Nova Scotia L&P 6% Pfd.	98.00	
Nova Scotia L&P Com.		

BUSINESS AND MARKET FORECAST

(Continued from page 17)

the market until it has at least experienced a minor correction. May I, for the encouragement of those who have been exercising caution in conformity with our suggestions, let you see what Mr. Robert Rhea has to say on page 85 of "The Story of The Averages"? He calls it "Insuring Against Loss".

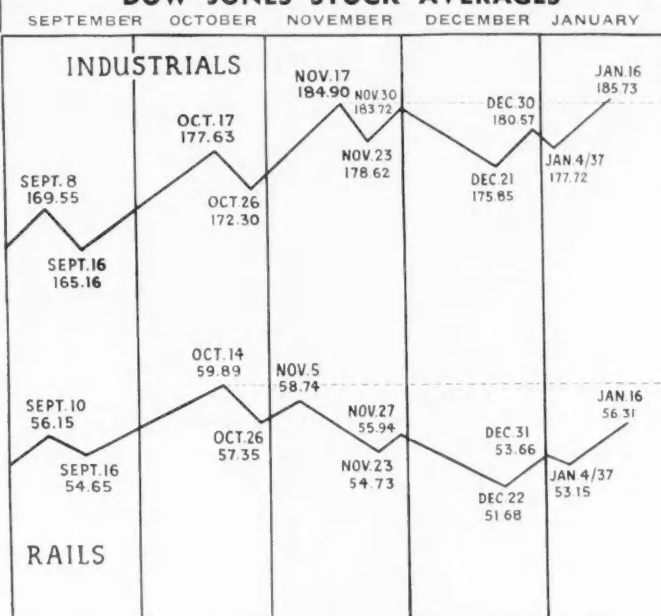
"Successful usage of Dow's Theory requires that we be ever on the alert to avoid the pitfalls which always lie ahead. Generally these hazards are secondary reactions and bear markets. Similar hazards of living are accident and death. We insure against those hazards, so why not insure investment funds against destruction in bear markets?"

"Sometimes we close out our stocks in a bull market because we anticipate a secondary reaction which may prove to be the beginning of a primary bear market. If such a reaction proves to be of minor proportions and new bull high points are quickly established, we may buy the same stocks back again at levels somewhat higher than those at which they were sold. The difference may be considered the cost of insuring against possible decline and the premium should be cheerfully paid by sophisticated traders."

Finally remember that the only sure warning we would now have of a substantial correction would be when both averages by a decline penetrated the December 21 and December 22 lows, namely, Industrials 175.85 and Rails 51.68. These, however, are so far down that holding stocks to the point of such a decline would involve us in too much loss.

MARKET POSITION—Investors should have about 50% of their funds in Industrials Bonds or Debentures, 25% in Stocks and 25% in Cash. Speculators on margin should keep cool, with 100% of their funds in Cash.

DOW JONES STOCK AVERAGES



Recent important developments in Canadian Aviation which should be of material benefit to Wings Limited, suggest even more rapid progress than in the past.

We suggest your immediate investigation of this company.

Analysis on request.

DRAPER DOBIE & CO.

MEMBERS THE TORONTO STOCK EXCHANGE
ADelaide 9171
330 BAY ST. TORONTO

WE TAKE PLEASURE IN ANNOUNCING THAT

ROGER A. WILSON

Formerly of the T. Eaton Co.

HAS BECOME ASSOCIATED WITH THE FIRM OF

WARREN, WILSON, GREGORY AND COMPANY
STOCKS and BONDS

330 BAY STREET
TORONTO

TELEPHONE
ADELAIDE 3065-6-7-8

As these securities have all been sold, this advertisement appears as a matter of record only.

NEW ISSUE

\$700,000

Woods Manufacturing Company, Limited

Incorporated under the laws of the Dominion of Canada

First Mortgage Bonds, Series "A"

\$440,000 Serial 3%, 3 1/2% and 4% Bonds
\$260,000 15-year Sinking Fund 4 1/2% Bonds

To be dated January 2nd, 1937

To mature January 1st, 1938-1947 and 1952

Trustee: THE ROYAL TRUST COMPANY

In the opinion of Counsel these bonds will be of a class in which the Canadian and British Insurance Companies Act 1932 states that funds of Insurance Companies registered under the said Act may be invested.

Schedule of Maturities

Due January 1st	Principal Amount	Coupon
1938	\$40,000	3%
1939	40,000	3%
1940	40,000	3%
1941	40,000	3%
1942	45,000	3 1/2%
1943	45,000	3 1/2%
1944	45,000	3 1/2%
1945	45,000	3 1/2%
1946	50,000	4%
1947	50,000	4%
1952	260,000	4 1/2%

We offer these Bonds at the above-mentioned prices plus accrued interest, subject to prior disposal, if, as and when issued and accepted by us, and subject to the approval of Messrs. Blake, Lash, Anglin & Cassels, Counsel for the Company, and Messrs. Brown, Montgomery & McMichael, Counsel for ourselves.

It is expected that interim Bonds or Certificates will be available for delivery on or about January 22nd, 1937.

Price: 100 and accrued interest

A prospectus, a copy of which has been filed under the provisions of The Dominion Companies Act 1934 and amendments, will be promptly furnished upon request.

HANSON BROS.

INCORPORATED
Founded 1883

255 ST. JAMES STREET
MONTREAL
HARbour 9281

830 BAY STREET
TORONTO
ADELAIDE 6408

56 SPARKS STREET
OTTAWA
Queen 8774



JOHN R. LAMB, President of the Bank of Toronto, who gave an illuminating address to shareholders at the bank's annual general meeting, dealing with the economic and business problems still awaiting solution as well as with the striking progress in recovery made during the past year. The main obstacles to full and sustained recovery, he said, are our heavy public debts and taxation, the high cost of government, the smallness of our population in relation to the territory occupied, and our annually recurring railway deficit.



S. H. LOGAN, who has succeeded Sir John Aird as President of the Canadian Bank of Commerce. Sir John's retirement comes after a service of nearly sixty years to the bank and to the nation and it is in the best traditions of the institution that he is followed by an executive of the calibre of Mr. Logan. The new President has served in many capacities both in Canada and abroad and has been General Manager since 1926. He brings to his new position an exceptionally thorough knowledge of the financial and commercial life of Canada.

AN EASTERNER LOOKS AT OIL

(Continued from Page 22)

Brown's ideas were not entirely crazy. To his son, who has packed into his 22 years a general knowledge of oil that would not disgrace a man three times his age, goes a lot of the credit. It is in my mind that Alberta will hear much of this lad in course of time.

NOW this well that Brown dug did several things. Primarily it proved his theory, which is always a satisfactory feeling for a theorist, secondly it lengthened the field a good few miles. Thirdly it started other well drilling programs and fourthly, which is no small consideration, it pays off in dividends around \$35,000 a month. The well came in last June, after costing around \$143,000 to drill, and by now the owners are much more than on velvet. To them and for a long time to come—it's the oil!

There is one thing about the Turner Valley field though. It costs a small fortune to sink through the earth's crust for a mile or so in search of an elusive element. On the average it costs anywhere between \$100,000 and \$150,000 and should the well prove a duster, which is the technical name for a flop—then it's a lot of money poured down the sink. Of course if it comes in, it might be like the Model No. 1, which is still going strong after six years, in which time it has paid off in dividends a cool million negotiable dollars.

Down in the Texas Panhandle a well costs around \$50,000 to \$60,000—but then no good Albertan would admit for a minute that he and his strata are not three times as tough as the Texan and his strata.

However, there is another alternative for the Turner Valley well. It might prove to be a "gasser" and for once the technical men have provided a name implying the meaning. In this case, the ingenious driller just hooks up the gasser to an absorption plant and extracts the naphtha content. Actually the crisscrossing pipe lines of gassers running about the field make the valley look like a basin of spaghetti. For this Turner Valley has been known for the past twelve years mainly as a field which produces a high gravity naphtha from large quantities of gas.

UP TO June of the present year, the field had produced nine and a half million barrels of naphtha from the astronomical figure of \$29,000,000 m.c.f. of gas. The latter figure is the Alberta government's compilation.

For the past four years, the total daily production of 80 to 90 wells has averaged about 3,200 barrels of naphtha from 250,000 m.c.f. I am not at all sure what the initials represent but I think it means thousands of cubic feet. It is added because it looks so beautifully technical. Now this works out to an average of 13 barrels per million cubic feet, I'm told, and after the naphtha has been recovered about ten per cent of the gas is marketed to supply Calgary and adjacent towns with fuel.

And it is right here that my Scottish instincts burn me up. For the remaining ninety per cent is made into huge bonfires with the most amazing prodigality. This gas wastage is 73 billion cubic feet a year or reducing the figure to reason, about 200 million cubic feet

each and every day. That is enough gas to asphyxiate all the citizens of Toronto.

Truly the Turner Valley people are the most patriotic of all people in the Dominion for they celebrate the 24th of May with bonfires every day and night in the year. Particularly is this noticeable at night. Then the sky is lit by these huge flares to such an extent that Broadway would look in comparison like a one-eyed automobile in a fog.

The majesty of it is as terrible as its prodigality. To anybody anxious to observe its fatal beauty I can heartily recommend that the flares be viewed from a car without a heater, stalled in a six foot snowdrift on a seventeen-below-zero Alberta night.

Some day, somebody with a crusading spirit will stop the waste. When he does, he'll do John Citizen out of a sight that makes a piker out of the simile of Nero fiddling while Rome burned. But he will render a great service to an oilfield of potential worth to the Dominion.

MINES

BY J. A. MCRAE

MINERAL production in Canada has risen to a rate of more than \$1,000,000 per day.

Teck-Hughes has sent an engineer to make an examination of the Martin-Bird property in Hearst township in the Larder Lake area.

Sheriff Gordon has ore reserves which have a gross value of around \$30,000,000.

Siscoe Gold Mines has been developing some remarkably rich ore in the "K" orebody at the 11th and 12th levels. The development ore is reflecting itself on mill heads, and production has recently attained new records. As a result of these deep developments, ore reserves have reached a new peak.

Perron Gold produced \$64,336 during December from 4,855 tons of ore.

Buffalo Ankerite produced \$1,892,243 from 271,776 tons of ore during 1936. This compared with an output of \$1,024,000 in 1935.

Bidgood is milling 100 tons of ore daily and producing at a rate of \$50,000 per month.

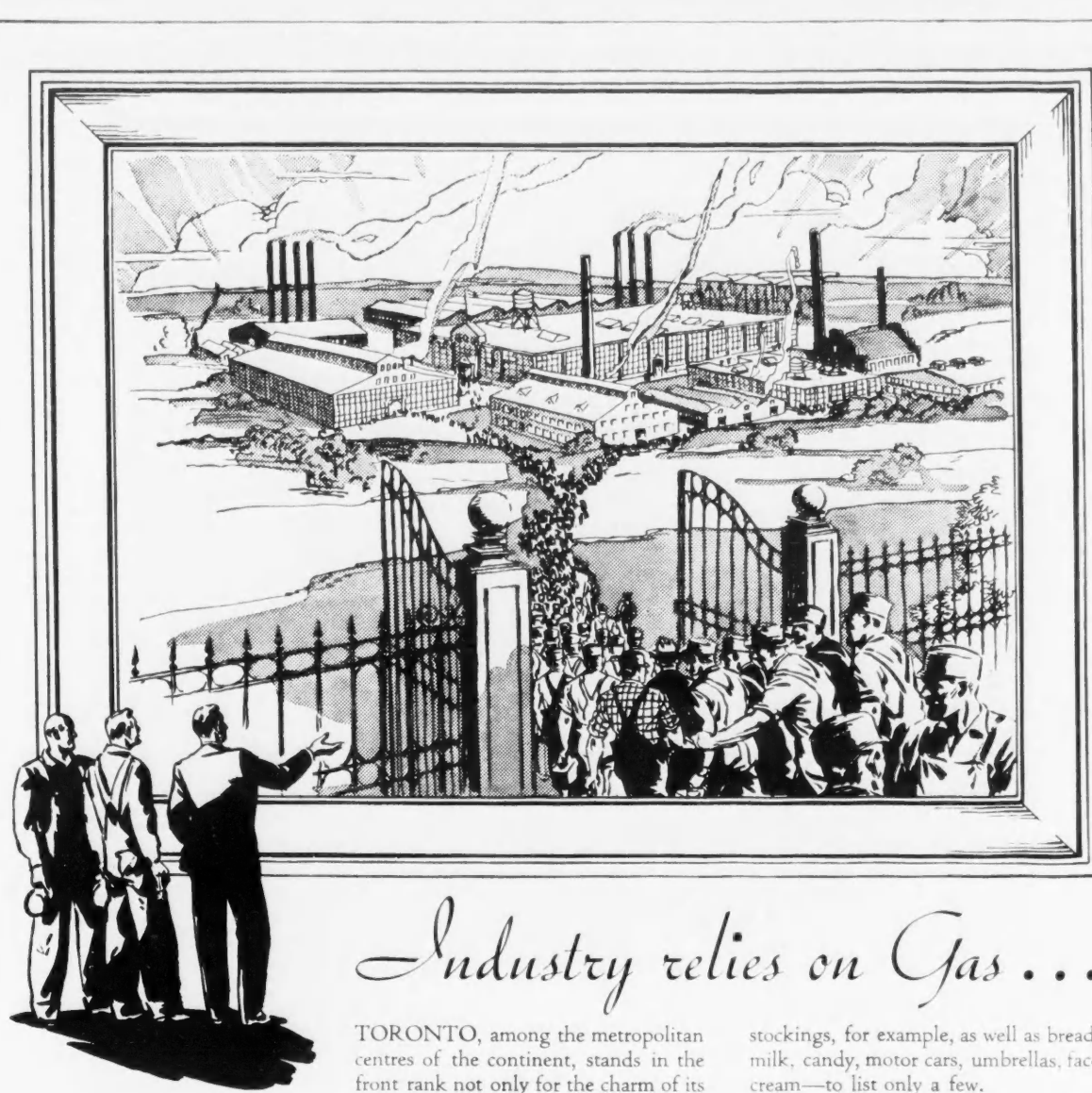
God's Lake has added 300 ft. in length of new ore west of the fault at the 3rd level, with values averaging about \$13 per ton. There is close to 1,000 ft. in length of ore now exposed at this one level.

J-M Consolidated produced \$41,700 from 3,078 tons of ore treated during December.

Gunnar Gold produced \$58,500 during December.

Denison Nickel made a public offering of treasury shares which was fully subscribed. A crew of 16 men has been placed at work.

Reno produced \$76,300 from 3,700 tons of ore treated during December.



Industry relies on Gas...

TORONTO, among the metropolitan centres of the continent, stands in the front rank not only for the charm of its domestic and cultural life but for the size and diversification of its industrial activity.

... New factories find this city "the logical location" because of its many obvious advantages, not the least of which is its unfailing, high-quality gas supply—at reasonable cost.

... Each year, gas becomes more and more an essential fuel for Toronto's industries. There is scarcely a product which does not use gas in some stage of its manufacture—toothpaste and silk

stockings, for example, as well as bread, milk, candy, motor cars, umbrellas, face cream—to list only a few.

... From one billion feet of gas a year at the turn of the century to nearly six billion feet during 1936—such is the impressive sales record of the Consumers' Gas Company. And much of this growth is due to ever-increasing industrial consumption.

... The privilege of participating in a new issue of Capital Stock is now being given. Tenders for one share and upwards will be received until noon of February 4th. Tender forms will be mailed on request.



THE CONSUMERS' GAS COMPANY OF TORONTO

"FOR THE GOOD OF THE COMMUNITY" SINCE 1848

Confederation Life Forges Ahead

1936 a Year of Progressive Development
Greater Strength, Increased Service

65th ANNUAL REPORT

Gives an Account of its Stewardship to Policyholders

Salient Features

Total Assurances in Force	\$398,499,573
New Assurances Paid For in 1936, including Revivals	47,506,513
Total Net Income for Year	23,038,254
Net Gain in Assurances in Force in 1936	11,434,821
Paid to Living Policyholders during the Year 1936	9,517,011
Paid to Beneficiaries of Deceased Policyholders	2,966,085
Total Assets	112,945,505
Surplus Earned	3,180,646
Total Surplus	8,332,009
Total Unallotted Surplus (to meet future contingencies)	4,059,664

A copy of the Annual Report will be mailed upon request.

Confederation Life

Association

Head Office

Toronto



S. M. WEDD, who has been appointed an Assistant General Manager of the Canadian Bank of Commerce. Mr. Wedd entered the service of the bank in 1905 and has been stationed at a number of points in Ontario and Quebec. At the head office he has served as Assistant Inspector, Inspector and Chief Inspector.



JAMES STEWART, who has been appointed an Assistant General Manager of the Canadian Bank of Commerce. Mr. Stewart came to Canada in 1914 from Scotland, joining the bank in that year. He has been stationed in Ontario, Quebec and the Maritimes and served as well as Assistant Manager and Manager at Mexico City.

Travelling,
at home or abroad? ...
Let Canada's oldest bank
arrange your travel funds.

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ARMS AND INDUSTRY

British Outlook Good Apart from Political and Rearmament Dislocations

BY GILBERT C. LAYTON
Saturday Night's Financial Correspondent in London

AFTER 1936, with its golden trade harvests, the business community looks forward with automatic hope to 1937. The year just ended has proved beyond doubt that new stimulants to industrial progress will not be lacking when the fundamental "recovery processes" which first lifted Great Britain out of unprecedented depression are exhausted. These new influences are mainly the result of Government "interference," and represent one of the most significant potentialities of the present trading position.

As the year drew to a close, the linchpin was directed also to a perturbing paradox: while certain areas still suffered the agonies of a depression which has compelled the efforts of the Government to alleviate it, others were experiencing the phenomena which normally accompany a boom—shortage of skilled labor, overfull order books, and rising costs.

In the reasons for these developments are to be sought the indications for the new year. Rearmament must be accounted chiefly responsible, not only because of its direct effect upon industry, but also because it has become the chief influence determining the Government's industrial policy. In the matter of terms Great Britain has still a disquieting deficiency when compared with the awe-inspiring accumulations of other European powers. Progress, so far, however, though it has been too slow to satisfy political requirements, has been sufficiently rapid to impose burdens upon the financial structure which have required sacrifices from civil interests.

Deliveries from iron-foundries are in arrears, while wages and other production costs have in many instances outstripped the advances which it has been possible to impose upon selling costs. The rearmament trades may easily ride these disturbances, but their effect upon normal trade may be expected to grow steadily. One effect, the deterrent to new enterprise, is already becoming apparent.

The beneficial effects of rearming, though by their nature they must prove temporary, should also be noted. Expenditure in this direction exerts a good effect over a much wider sphere than that immediately concerned with the production of arms. Increased employment at higher wages means a general increase in purchasing power.

with a corresponding improvement in some consuming trades. But, of course, the money used for armament must come from somewhere.

From the point of view of the investor, the rearmament problem is also significant from the aspect of money rates. A year ago the financial markets were apprehensive of a vast loan for rearmament; gilt-edged values became tremulous, and the new issue market was for a time almost stagnant. In his budgetary speech, Mr. Chamberlain made it clear that funds would eventually have to be raised on the Stock Exchange, but it was generally believed that the increase in taxation would provide sufficient for some time. Now, there is again talk of large-scale borrowing and, consequently, talk of dearer money.

ALTHOUGH it is early for holders of gilt-edged stocks and prior charges to fear for the capital value of their holdings, it seems that some hardening in the rate of interest cannot indefinitely be postponed. When the Bank of England bought 965 millions of gold before Christmas, it seemed that the gold position in Great Britain was as strong as that in France and that cheap money was assured. But the volume of "refugee" money is of such dimensions that an unstable element has been introduced into the financial position, and the "operative" gold basis is not increased to the point where dearer money is ruled out.

Moreover, the continuing progress of industry must proceed on a considerably higher cost basis. Commodity prices have only begun their rise, and wages are likely to receive further increases, and the financing of it will tend to become dearer. Investment in 1937, if it is to be as profitable as it was in 1936, must be more selective, with armament and commodity equities singled out for special attention.

So far as the general economic progress of the country is concerned, it is apparent that for some little time hesitancy must continue. Unemployment, which increased by 11,792 between October and November, rose by a further 5,117 in the last month of the year. This trend is anti-seasonal, and, though partly accounted for by the shortage of labor in certain industries, is nevertheless a little discouraging. The recession should be only tem-

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EDWARD J. TUCKER,
General Manager.

porary, however. It must be laid largely to the account of the decline in speculative building, and this factor is likely this year to be more than offset by the increase in governmental and industrial construction work.

Meanwhile, one fact must not be overlooked. Trade paused to watch the progress of the constitutional issue in the normally very active pre-Christmas period. The interdependence of economics and politics will again be-

made manifest if political incidents of sufficient size arise to provoke it. The time is passing when the leaders of the British Government need look no further than the Rhine and the people of Great Britain no further than their own shores. Given freedom from political interference and from the dislocating influences which a greatly accelerated rearmament program would entail, the barometer for 1937 is set fair.

WHEAT POLICY

(Continued from Page 17)

Australia for the three months of December, January and February shipped out an average of 5,700,000 bushels.

"This is a good indication of what these two shippers will export each week from now until March 1, and if the Danube and other countries furnish 1,300,000 bushels weekly, Canada will be called upon to furnish 3,000,000 to 4,000,000 bushels weekly, so as to make up the world shipments of 10 to 11,000,000."

These are important influences which should be borne in mind by those disposed to criticize the Canadian Wheat Board for selling wheat at a fair market price, when they might have gambled for higher stakes, aimed at a possible profit on what remains of the government wheat experiment. But surely Canada has reason to profit by such experiences. That angle is dealt with in the annual 1935-1936 report of the Canadian Wheat Board in a frank and reasonable manner, as follows:

"There has been criticism of the board's selling policy since December, 1935, from some quarters. Just what these critics would have had to say if the United States had harvested anything like a normal crop on their large acreage of winter wheat planted in the fall of 1935, and if the promise of June, 1936, conditions in Western Canada had been fulfilled, cannot now be known. It may be recalled that as late as June 23, 1936, one Canadian authority forecast a crop of 400 million bushels for Western Canada, and on July 2, another well-known forecaster estimated a crop of 380 million bushels.

"Conscious that we possessed no supernatural power which would enable us to forecast weather and crops many months in advance, the Board consistently adhered to a policy designed to reduce the Canadian surplus to reasonable proportions by the end of the crop year. It seemed obvious to the Board last winter that such was the only common sense policy to follow.

"It needed no special foresight to realize in January, 1936, that if crops in North America proved to be large, then everyone would be thankful that a big reduction had been made in the Canadian carryover. If crops turned out poorly then this reduction in the surplus would have removed the greatest obstacle standing in the way of Canadian farmers getting a good price for their 1936 crop."

BETWEEN December 1, 1935, and July 31, 1936, the Wheat Board owned and controlled 343,349,538 bushels of Canadian wheat. At the end of this period their holdings were reduced to 84.6 million bushels, made up of some two million of the 1935 crop and 82.6 million of the old surplus, accumulated during the years 1930 to 1935. Liquidation has since been such as to practically insure the most satisfactory carryover since marketing experimentation became a propagandized political art.

Producers delivered 150.3 million bushels of their 1935 wheat crop to the board at the set price of 87½ cents a bushel. Prices paid to the growers were greater than the net returns received, and resulted in a loss of \$11,858,194, so no dividends could be paid on certificates issued to producers when delivering their wheat. The price paid for 1 Northern wheat was 87½ cents a bushel.

in store Fort William or Vancouver. The wheat was sold at a gross price of 84.1 cents, netting after payment of expenses, 80.3 cents a bushel, compared to the guarantee of 87½. Meanwhile the federal government had paid pool contract-holders some six million dollars in connection with wheat taken over in 1936.

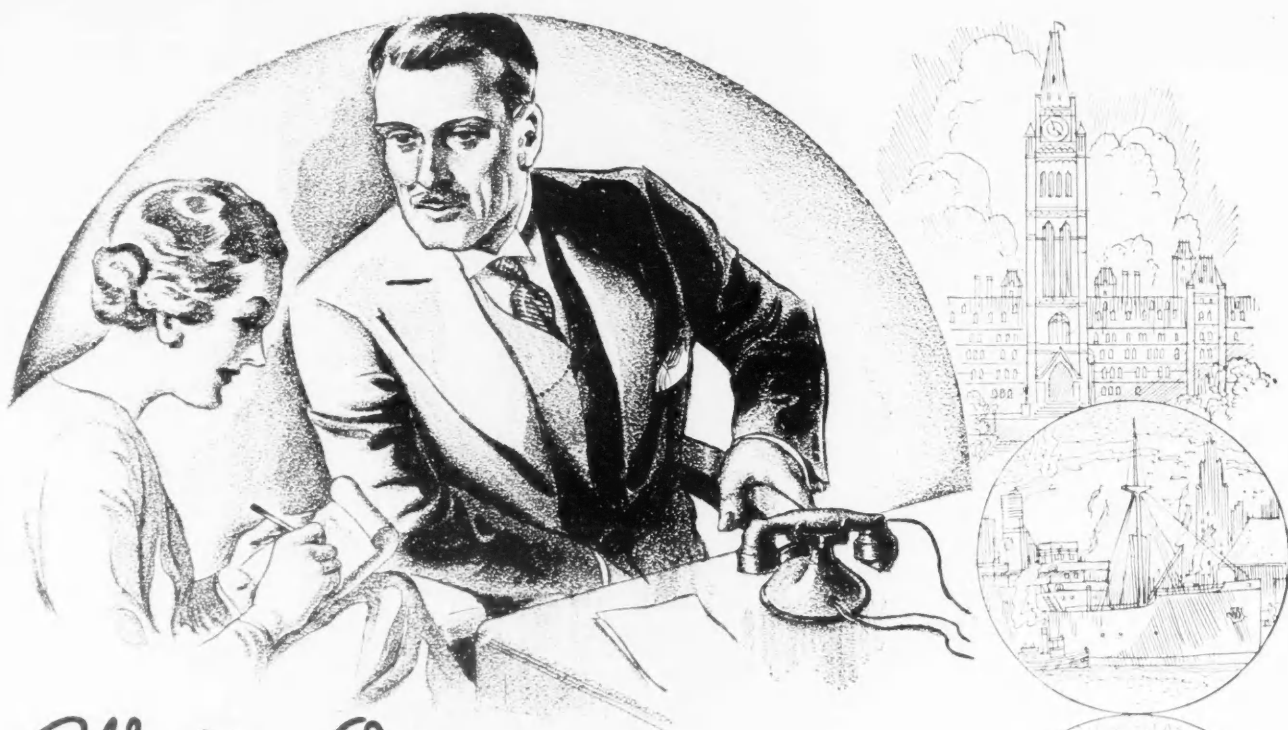
When the present board assumed office on December 2, 1935, it took over the wheat surplus of the Wheat Pools and the old Wheat Board. A cut-off was made at that time, and the Government assumed a loss on the surplus account of \$16,500,000. If prevailing prices continue, the Board will have a much better financial record by July 31. Last year's crop has been handled through the regular trade channels, and the open market.

Out of the net exports for wheat and flour during the year of 1935-36, Canada accounted for 253,417,000 bushels, in a total of 514,283,000. Australia was second, with 109,220,000 bushels, while Argentine dropped to 69,419,000, because of drought conditions. The balance included shipments from fifteen or more countries, in the smallest wheat and flour shipments in post-war years. The United States was not in the picture, and Russia ceases to be a factor, according to this year's statistics. Canada finally became a dominant figure again in the export markets after floundering around in one tragic experiment after another for several years.

One outstanding reason for this, aside from the policy outlined above, is the valuable missionary work done in Great Britain and foreign importing countries by cabinet ministers and wheat board officials. In that way a more equitable understanding and necessary goodwill has been re-established, and did much to encourage trading relations. This timely policy has also been backed by an intensive advertising campaign. Canadian representatives in Great Britain claim the reaction has been most gratifying, and enhances the prospects for increasing sales of wheat and other exportable products. And so it would seem that Canada has returned to saner relations with our customers abroad, with desired results. Up till 1935-36 Canada's five-year record provided cause for alarm. Our sales fell from an average of 309 million bushels per annum, for five years prior to 1929, to 166 million in 1934-35, a decrease of 36 per cent. Argentina, our chief competitor, had an average of 151 million for five years before the depression, but in 1934-35 exported 183 million bushels—an increase of 17 per cent. They were down last year with drought, but are now coming back again.

The world wheat picture is more balanced than for many years, due to recent drought conditions in several countries. The burdensome excess surplus has disappeared, and is now probably 200 million bushels less than normal. That means a prospective continuation of good prices—based on supply and demand. Canada will be in an ideal position should nature favor us with a good crop next summer.

Quebec stands second in manufactures among the provinces of Canada. It is exceeded only by Ontario. Textiles form the leading group of industries in the province of Quebec, but pulp and paper is the largest individual industry.



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